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Officials Prepare for ASEAN Ministers' Meeting

BK1707090992 Kuala Lumpur BERNAMA in English 0757 GMT 17 Jul 92

[By Ghazemy Mahmud and Zainoor Sulaiman]

[Text] Manila, July 17 (OANA-BERNAMA)—The restructuring of the ASEAN secretariat and the contest for the grouping's newly-upgraded post of secretary-general will be among the main issues to be discussed by senior officials who begin their meeting Friday in preparation for the 25th ASEAN ministerial meeting here next week.

Officials said the deliberations in the next few days would basically be a follow-up to work out the implementation of the decisions taken at the Singapore summit in January.

They said successful reorganisation of the ASEAN secretariat was an important new direction for the six-member grouping to meet the fast-changing global economic and political order.

The Association of Southeast Asian Nations (ASEAN) groups Malaysia, Thailand, Singapore, Indonesia, the Philippines, and Brunei.

Malaysia's delegation to the senior officials meeting is led by Foreign Ministry Secretary General Ahmad Kamil Jaafar.

Besides the senior officials meeting, the ASEAN standing committee under the chairmanship of the Philippines, met separately to consider and adopt reports by the various ASEAN committees and working groups.

Malaysia's delegation to the standing committee meeting, headed by the Malaysian Ambassador here, Zainuddin A. Karim, includes the newly-appointed director-general of ASEAN Malaysia, Zainal Abidin Alias.

Besides expanding and strenghtening the role of the secretary-general to ministerial level to give him more clout to put forward initiatives, ASEAN leaders, in their summit in Singapore, agreed in principle to streamline and beef up the Jakarta-based ASEAN secretariat with more professional staffers.

Only Malaysia and the Phillippines have submitted their candidates for the secretary-general's post with ministerial status. Malaysia's candidate is its ambassador to Bonn, Ajit Singh, who recently held the post of ASEAN director-general at the Foreign Ministry.

The Philippine bet is a former minister, Vicente B. Valdepenas, who had served as director-general of the National Economic Development Authority under the Aquino cabinet, an official of the Department of Foreign Affairs said.

According to a Malaysian official, the senior officials meeting would also consider and formulate follow-up programmes that could be undertaken by ASEAN to implement the decisions of the Rio Earth Summit.

Among the other key issues to be discussed are the latest developments in Cambodia, the Vietnamese boat people, cooperation among member countries in combating illicit drug trafficking and abuse and the East Asian Economic Caucus (EAEC).

Japan

Toyota To Procure Auto Parts From Ford

OW1607113292 Tokyo KYODO in English 0929 GMT 16 Jul 92

[Text] Tokyo, July 16 KYODO—Toyota Motor Corp. will purchase automobile parts from Ford Motor Co. in the near future to help increase Japan's auto parts imports from the United States, Toyota President Shoichiro Toyoda said Thursday.

Toyoda told a press conference that the parts bought from Ford will be used for Toyota's 1994 models at the earliest.

Toyota bought 35.6 billion yen worth of auto parts only from General Motors Corp. in 1991.

Toyota has also announced the planned purchase of auto parts from Chrysler Corp.'s subsidiary from late 1993 to be used for Toyota Camry cars made in its U.S. factories.

With the new plan of buying from Ford, Toyota will be purchasing automobile parts from all of the "Big Three" U.S. automakers.

A group of Ford representatives is scheduled to visit Toyota's head office in the city of Toyota, Aichi Prefecture, next Wednesday to discuss details of the planned purchase.

Toyota plans to buy U.S.-made auto parts worth 5.28 billion dollars, or about 660 billion yen, including purchases by its factories in the United States, in fiscal 1994. The purchasing target is double the figure in fiscal 1990.

Isuzu, U.S.'s GM Agree To Step Up Relations

OW1707034892 Tokyo KYODO in English 0113 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Isuzu Motors Ltd. and General Motors Corp. of the United States have agreed to step up their relations in their global business strategies, Japanese dailies reported Friday.

The beefing up of relations between the two companies, which already have capital links, was agreed by Isuzu President Kazuhira Seki and GM Chairman Robert Stempel, when Stempel visited Japan this week to attend a meeting of Japanese and U.S. business leaders, the NIKKAN KOGYO SHIMBUN said.

According to the industrial daily, the two companies divided the world into five blocs and chose South America as its first target to cooperate on local production and sales. Strategies within Southeast Asia will also be discussed, it said.

Meanwhile, the ASAHI SHIMBUN reported the two companies agreed on further technical cooperation, where GM will provide Isuzu with safety and environmental technologies and Isuzu will give GM technology on truck and diesel engines.

U.S. Environmentalists 'Attack' Fishing Boats

OW1707091292 Tokyo KYODO in English 0811 GMT 17 Jul 92

[Text] Aomori, July 17 KYODO—American environmentalists hurled Molotov cocktails at two Japanese fishing boats operating in the northern Pacific last week, the Fisheries Agency announced Friday.

The fishing boats, sailing from Hachinohe Port, in Aomori Prefecture, were drift-net fishing for squid on July 11 when people aboard a boat belonging to the American environmentalist group Sea Shepherd approached and began hurling incendiary bombs, the agency said.

No one on the Japanese boats was injured, and both boats resumed fishing, it said.

According to the Fishery Agency's offshore section, the attack occurred in the middle of the night about 500 kilometers east of Hokkaido. In addition to throwing firebombs, the assailants cut the fishing nets, it said.

In response to a complaint lodged by a Japanese national association of drift-net fisheries for squid, the United States dispatched a Coast Guard ship to the area of the attack, but the Sea Shepherd boat has not been found, the agency said.

U.S. environmentalists have accused Japan of trying to circumvent a United Nations resolution that calls for a 50 percent reduction of drift-net fishing on the high seas by June 30 and a complete phaseout by the end of the year. About 100 Japanese drift-net fishing boats are operating in the area.

Drift-net fishing, which involves using nets as long as 50 kilometers to trap squid, is blamed for causing the unnecessary deaths of other marine animals.

"They were obeying the law," said a spokesman for the drift-net fisheries association. "If the assailants are found, we should think about damage compensation."

Emperor's China Visit Still Under Consideration

OW1707042892 Tokyo KYODO in English 0343 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—The Japanese Government and the ruling Liberal Democratic Party will discuss Emperor Akihito's trip to China following the July 26 House of Councillors election, the chief government spokesman said Friday. Chief Cabinet Secretary Koichi Kato made the remark at a news conference.

Prime Minister Kiichi Miyazawa has said the emperor's visit to China should be realized with the support of the Japanese people. The YOMIURI SHIMBUN reported Wednesday that Japan and China are working out an itinerary for Emperor Akihito and Empress Michiko to visit China for four to five days between October 22 and 27.

Group Begins Visit to Russian-Held Etorofu

OW1707033192 Tokyo KYODO in English 0212 GMT 17 Jul 92

[Text] Sapporo, July 17 KYODO—A group of 43 people left Friday morning for Etorofu as part of the second series of visa-free visits to the Russian-held islands off Hokkaido.

The group, led by Matsuyoshi Shindo, town mayor of Nakashibetsu, departed from the Hokkaido port of Hanasaki in Nemuro for a four-day visit.

It is the third and last group to take part in the second such series of visits to the islands, known in Japan as the "northern territories," Japanese officials said.

The former Soviet Union seized the four islands of Etorofu, Kunashiri, Shikotan, and the Habomai group of islets at the end of World War II. Tokyo insists on their return as a prerequisite for the conclusion of a peace treaty with Russia.

Group members—27 of whom are former residents of Etorofu—are scheduled to arrive at Shana on the island on Saturday and call at the local administrative office, the officials said.

The second group making a visa-free visit traveled to the islands last Saturday. The first group has visited Kunashiri and the second group Shikotan and a minor island called Shibotsu-jima, they said.

The first such program was implemented in May.

Tokyo, Moscow Fail To Narrow Space Differences

OW1607134292 Tokyo KYODO in English 1310 GMT 16 Jul 92

[Text] Moscow, July 16 KYODO—Japan and Russia held working-level talks on a proposed space development cooperation treaty Thursday but failed to narrow differences over the contents of the pact, Japanese Government officials said.

The official working-level talks were the first ever by the two nations on the space issue.

The two sides, however, were unable to determine the scope of government organizations to be involved or concrete areas of cooperation under the accord, the Japanese officials said.

Japan and Russia have agreed in principle to conclude the bilateral treaty when Russian President Boris Yeltsin visits Tokyo in September.

Under the treaty, the two nations would share medical data on space activities obtained from operations of the Russian "Mir" manned space station, and information on the earth's environment, among other things.

The Japanese delegation, consisting of government officials from the Science and Technology Agency and the Ministry of International Trade and Industry, has been staying in Moscow since July 5 to work out the details, the officials said.

Both nations will continue consulting with each other to finalize the remaining part of the treaty prior to Yeltsin's visit, the officials said.

The head of the Russian Space and Technology Agency visited Tokyo last month and proposed to the Science and Technology Agency that the treaty be concluded on the occasion of Yeltsin's visit.

Hiraiwa on Aid to Former Soviets, Rate Cut

OW1707111992 Tokyo KYODO in English 1106 GMT 17 Jul 92

[Text] Sapporo, July 17 KYODO—Japanese business leader Gaishi Hiraiwa voiced caution Friday over the prospect of large-scale aid to the struggling former Soviet states.

Hiraiwa, head of Japan's top business group, said it is "not desirable for Japan to extend major assistance, except humanitarian and emergency help, until they are better organized with an institution responsible for debt repayments."

The chairman of the Federation of Economic Organizations (Keidanren) told a press conference he believes the government has not altered its policy of linking major economic aid to the former Soviet Union with politics.

Hiraiwa, also chairman of Tokyo Electric Power Co., reiterated his opposition to an immediate cut in the official discount rate by the Bank of Japan.

"It's true that some quarters of the business community are calling for an early rate cut but I don't expect another credit easing would create any desired effect," he said.

Japan's official discount rate, which the central bank charges on loans to commercial banks, now stands at 3.75 percent after a 0.75 percentage point reduction April 1.

With Japan's economy in a prolonged slump and few bright signs in sight, many business leaders want credit eased further, especially since leaders of seven major industrial nations agreed at their Munich summit this month to seek easier monetary policies.

Hiraiwa expressed understanding of Germany's newest interest rate hike, terming it an anti-inflationary move. The Bundesbank on Thursday boosted its discount rate to a record 8.75 percent from 8.0 percent.

The Keidanren chief expressed opposition to an income tax cut, one measure the government may include in its planned economic stimulation package.

A tax cut would force the issuing of debt-financing bonds, he argued, which in turn would increase the burden on future generations.

Bank of Tokyo To Provide Loans to Russia 'Soon'

OW1707091392 Tokyo KYODO in English 0848 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—The Bank of Tokyo will soon provide 360 million dollars in loans to Russia, bank officials said Friday.

The Japanese commercial bank will extend the loans to the Russian Bank of Foreign Economic Affairs to help Russia pay unpaid bills of the same amount to nine Japanese trading companies, the officials said.

They said the loans of five to seven years will be guaranteed by the trading companies, including Mitsui and Co., Mitsubishi Corp., and Sumitomo Corp.

The Russian debt stems from unpaid bills of the former Soviet Foreign Trade Corporation for goods it imported in the final years of President Mikhail Gorbachev's government.

ROK, Russia Join Optical Cable Project

OW1707031592 Tokyo KYODO in English 2348 GMT 16 Jul 92

[Text] Tokyo, July 17 KYODO—Japan, Russia, and South Korea have agreed to lay an optical cable under the Sea of Japan in a 20 billion yen project they hope to complete by 1995, the NIHON KEIZAI SHIMBUN reported Friday.

The cable will have a transmission capacity of 560 megabits per second, and will boost the telecommunication links between Japan and Russia some 60-fold, to the equivalent of 7,560 telephone circuits.

Basic agreement on the cable was reached between Japan's KDD [International Telegraph & Telephone], its South Korean counterpart, and the Russian Government, and two Danish companies using an existing cable will also take part, the business daily said.

SDF Officers To Go to Sweden for Training

OW1707122592 Tokyo KYODO in English 1206 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—The Defense Agency announced Friday it will send 35 officers from the Self-Defense Forces (SDF) to Sweden on July 27 for two weeks of training to prepare for UN peacekeeping operations in Cambodia.

The team will receive training at the Swedish army's UN training center near Stockholm from July 29 through August 8. The officers will be trained as ceasefire monitors and as peacekeeping operation teachers, agency officials said.

The team will be made up of 29 Ground Self-Defense Force officers and three members each from the Maritime Self-Defense Force and the Air Self-Defense Force.

The officials said the team will also study UN peacekeeping operations principles and receive field training.

Of the team members, about 10 officials are expected to be sent to war-ravaged Cambodia in September as the first Japanese members to be dispatched to help the UN Transitional Authority in Cambodia monitor the nation's ceasefire.

In mid-June, the Diet passed a bill allowing SDF personnel to join UN peacekeeping activities. The bill was passed with the support of the ruling Liberal Democratic Party and two centrist parties.

The largest opposition Social Democratic Party and the Japanese Communist Party, which opposed the law, are trying to make the law a central issue in the July 26 House of Councillors election.

Miyazawa Comments on 'Comfort Women', PKO

OW1707084192 Tokyo KYODO in English 0828 GMT 17 Jul 92

[Text] Fukuoka, July 17 KYODO—Prime Minister Kiichi Miyazawa hinted Friday that Japan would take some measures to compensate Asian women forced to provide sex to Japanese soldiers in World War II.

Miyazawa told reporters in Fukuoka, southern Japan, "Although the problem has been settled on the intergovernmental level, I feel sympathy for them and remorse for the episode."

Now that the government's role has been confirmed, Miyazawa said, "I have to listen to everyone's opinions about how to express our feelings."

His remarks that the government was listening to various views on how to express Japan's remorse for the conscription of the so-called Asian "comfort women" seemed to indicate the government would set up a fund to compensate them, rather than offer direct government payments, observers said.

This month Japan formally acknowledged for the first time a governmental role in the wartime conscription of women from at least six Asian countries into front-line brothels, after evidence turned up earlier in the year in Defense Agency archives.

Tokyo, which had maintained for more than 40 years that the women were recruited into front-line brothels by private operators, had insisted issues of compensation were settled in a 1965 treaty with South Korea, under which Seoul waived claims for war reparations.

Historians say as many as 200,000 women and girls, mostly from Korea, were forced to be "comfort women" for Japanese Imperial Army soldiers.

Miyazawa declined to say specifically when Japan would join United Nations peacekeeping efforts in war-torn Cambodia under a new law authorizing the first dispatch of Japanese ground troops overseas since World War II.

Saying "efforts are being made" to get the Khmer Rouge to join the three other Cambodian factions in starting to disarm and demobilize their forces, the prime minister said Japan was paying attention to the situation, "but this is not the time to say when Japan's cooperation begins."

The Khmer Rouge, militarily the strongest faction among the three rival factions against the Phnom Penh government, has refused to join the second stage of the UN-supervised peace process, claiming Vietnamese troops still remain in Cambodia.

With the enactment of the peacekeeping law last month, Japan is preparing to dispatch Self-Defense Forces personnel to work on the UN Transitional Authority in Cambodia.

German Rate Hike To Have 'No Impact' on Policy

OW1607134492 Tokyo KYODO in English 1258 GMT 16 Jul 92

[Text] Tokyo, July 16 KYODO—Germany's hike in its key interest rate will have no impact on Japan's monetary policy, a Bank of Japan source said Thursday.

The Bundesbank, Germany's central bank, raised its official discount rate to 8.75 percent from 8.0 percent in a widely expected move aimed at combating high-pitched growth in money supply, a source of inflation.

The BOJ source said the German move should make it difficult for Britain and France to lower their interest rates despite their desire to do so as a means of stimulating their domestic economies.

The BOJ, Japan's central bank, will monitor the effects of the German rate hike on European stock prices rather than foreign exchange rates, the source said.

A source at the Finance Ministry, meanwhile, reacted calmly to the German rate increase and stressed that it will not run counter to policy coordination among the Group of Seven (G-7) industrial nations.

The G-7 nations—Japan, the United States, Germany, France, Britain, Canada and Italy—agreed at their summit earlier this month in Munich on the need for lower interest rates for growth without inflation.

The Finance Ministry source said the framework of policy coordination within the G-7 remains intact and noted that the German rate increase suggests Germany's economy is in an unexpectedly bad shape. The source did not elaborate.

Miyazawa, Kato View Rate Rise

OW1707042292 Tokyo KYODO in English 0406 GMT 17 Jul 92

[Text] Saga, July 17 KYODO—Prime Minister Kiichi Miyazawa gave a muted response on Friday to Germany's action in raising its key lending rate only a week after Group of Seven (G-7) leaders agreed in Munich to stimulate the world economy.

"Some people say it is strange that (Germany) is raising its interest rate despite the agreement among leaders of industrialized countries to spur the world economy," Miyazawa said in a stumping speech for the July 26 House of Councillors election.

"On the other hand, prices (in Germany) are going up, and the economy is not functioning as desired," Miyazawa said. He also said that he expects the move to heighten international expectations for Japan to serve as the engine of economic growth.

The Bundesbank, Germany's central bank, decided on Thursday to raise its discount rate by 0.75 percentage point to 8.75 percent, effective on Friday.

Chief Cabinet Secretary Koichi Kato, speaking in Tokyo, said he does not believe the increase will have a major dampening effect on world economic growth. "I would not say Japan welcomes this," Kato said, but he conceded that Germany may need to curb inflation in order to enable steady economic growth over the medium and long term. He said he does not regard the increase as a violation of the agreement reached at the G-7 annual economic summit in Munich by G-7 leaders to coordinate policy to promote economic recovery.

Official Rules Out Policy Change

OW1707100092 Tokyo KYODO in English 0919 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—The hike in Germany's key interest rate will not affect Japan's monetary policy, a top Finance Ministry official said Friday.

Speaking at a regular news conference, Mamoru Ozaki, vice finance minister for administrative affairs, said Japan will decide on its monetary policy in terms of its own economic conditions as other countries do.

Germany's central bank, the Bundesbank, raised its official discount rate Thursday to 8.75 percent from 8.0 percent in a widely expected move aimed at combating high-pitched growth in money supply, a source of inflation.

Ozaki said, "Monetary policy is what each country decides on in light of the specific economic conditions of each country. Conditions in each country differ, so monetary policy will not necessarily move in the same direction."

Asked to comment on growing calls for income tax cuts, Ozaki said he takes a dim view of such cuts, pointing out that income tax cuts would not serve to revive consumer spending, considered a pillar of economic growth.

Complaint to EC on Antidumping Tariff 'Likely'

OW1707084792 Tokyo KYODO in English 0824 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Japan is likely to file a complaint against antidumping tariffs imposed by the European Community (EC) on Japanese-made audiocassette tapes, a senior trade official said Friday.

The official of the Ministry of International Trade and Industry said that on-going arbitration by a dispute settlement panel under the General Agreement on Tariffs and Trade (GATT) is unlikely to lead to a solution.

Japan has asked the panel to arbitrate in a dispute over the EC's antidumping duties on audiocassette tapes made by Japanese companies, claiming the tapes are not being dumped in the EC.

"Japan may file a complaint before the panel," said the official, speaking on condition of anonymity.

Since May last year, the EC has imposed its 20 percent antidumping duty on products made by companies such as Sony Corp. and TDK Corp.

Panel To Respond to International Criticism

OW1707043592 Tokyo KYODO in English 0408 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—A public relations arm of the Federation of Economic Organizations (Keidanren) said Friday it will set up a panel, hopefully by September, to deal with mounting international criticism of Japan.

The panel, to consist of top business officials and experts, aims to "immmediately respond" to such criticism, said Kokichi Morimoto, director of the International Affairs Department at the Japan Institute for Social and Economic Affairs. The panel will be headed by Akio Morita, chairman of Sony Corp.

Japan tends to be silent even in the face of criticism and this has led to its image as a "faceless" nation, he said. The panel will also organize lectures on Japan overseas, and will have panel members express their opinions directly to the foreign media, he said. But Morimoto stressed that the panel does not intend to be antagonistic.

The institute, mainly in charge of public relations both overseas and in the noncorporate domestic market, is headed by Keidanren Chairman Gaishi Hiraiwa. Morita is listed as one of its vice chiefs. The other members of the panel have not yet been decided. Regarding news reports suggesting Koichiro Ejiri, chairman of Mitsui and Co, and Nobuo Tateishi, vice chairman of Omron Corp., be included in the panel partly because of their English ability, Morimoto said that would be helpful but that getting their consent would come first.

English Book Gives Details of Keiretsu Groupings

OW1707065792 Tokyo KYODO in English 0519 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—A new edition of an English-language publication detailing Japan's traditional "keiretsu" corporate groupings went on sale earlier this month, the publisher said Friday. Dodwell Marketing Consultants, a research and business unit of Inchcape Group in Japan, said the new book, subtitled "The Anatomy of the Keiretsu," is based on a comprehensive survey of various forms of corporate groupings.

The new edition, the 10th in a series since 1972, covers nearly 3,000 Japanese firms and classifies types of keiretsu other than the most common horizontally-connected groups, the company said. The company said the book, titled "Industrial Groupings in Japan," was first published in 1972 to provide information on Japan's unique trade practices to foreign companies doing business in Japan and those planning to enter the Japanese market.

Keiretsu drew attention in the U.S.-initiated Structural Impediments Initiative (SII) trade negotiations with Japan as a symbol of the closed Japanese market impeding bilateral trade. The book discusses the historical background and features of various industrial groups. The 700-page new book is priced at 92,700 yen.

"In my opinion, everyone who does business in Japan or who is otherwise interested in how Japanese corporations function should own a copy of this book," said professor W. Carl Kester of Harvard University Graduate School of Business Administration and the author of the book "Japanese Takeover."

Young Foreigners Invited for Teaching Program

OW1707091792 Tokyo KYODO in English 0844 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Japan will invite 3,325 young people from nine countries this year as part of an annual government project to promote international communication in local Japanese communities, officials said Friday.

During their one-year stay under the Japan Exchange Teaching (JET) program, the young people will engage in work concerned with international exchanges at local government offices or become assistants in foreign language classes in junior and high schools nationwide, the officials said.

The project, which began in fiscal 1987, is organized by the Council of Local Authorities for International Relations under the guidance of the Ministry of Home Affairs, the Education Ministry, and the Foreign Ministry.

Its scale has been expanding annually, the officials said.

The total number of young men and women participating in the project this year is 451 more than last year.

Young Chinese are participating for the first time this year, and the government plans to invite South Koreans from next year, the officials said.

Taking part in this year's project are 1,710 people from the United States, 596 from Britain, 586 from Canada, 182 from Australia, 165 from New Zealand, 44 from Ireland, 20 from France, 18 from Germany, and four from China.

Of the JET participants, some 217 will engage in international communication affairs at local government offices and 3,108 will be language instructing assistants, they said.

Some 134 will be assigned to Saitama Prefecture, 118 to Hyogo Prefecture, and 114 to Chiba Prefecture. Among the nation's major cities, Yokohama will receive the most with 41 young people.

They will arrive in Japan in two groups, on July 21 and 28, the officials said.

Panel Gives Recommendations on Foreign Students

OW1707091992 Tokyo KYODO in English 0804 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—An Education Ministry advisory panel recommended Friday the upgrading of facilities in regional universities in order to accept more foreign students around the country.

The report, submitted to Education Minister Kunio Hatoyama, covers accommodation, scholarships, and the prevention of concentrations of foreign student populations.

In 1983, when foreign students in Japan numbered around 10,000, the ministry began planning for a goal of 100,000 students from abroad by the beginning of next century.

The number of foreign students grew more rapidly than expected, reaching about 45,000 in may 1991, roughly 11,000 more than planned.

But despite efforts to spread the students around the country, the proportion concentrated in the Kanto region, which centers on Tokyo, has grown from 61 percent in 1983 to 63 percent.

The report also said 92 percent of all foreign students are from Asia.

The panel, headed by Shigeto Kawano, professor emeritus at Tokyo University, advises concentrating efforts on accepting students from a greater variety of countries to stimulate a more "international" atmosphere on campuses.

It also recommends the creation of more facilities in regional universities for the benefit of foreign students, the completion of Japanese language courses before coming to Japan, better counselling after arrival, and follow-up after leaving Japan.

Governors To Form Panel on Foreign Workers

OW1507083192 Tokyo KYODO in English 0817 GMT 15 Jul 92

[Text] Tokyo, July 15 KYODO—Japan's prefectural governors decided Wednesday to form a special panel on issues relating to foreign workers, officials said.

Officials of the National Governors Association said local governments are seriously worried about rising medical, housing, and education costs for foreign workers in Japan.

Governors at a national meeting Thursday in Toyama will formally ask Niigata Governor Kiyoshi Kaneko to form the panel of governors and scholars and present a report in a year.

As foreigners staying illegally in Japan cannot join the government's medical insurance scheme, some have been unable to pay for medical care at hospitals run by local governments.

The Tokyo Metropolitan Government decided last month to cover such costs by reviving a dormant law providing medical assistance to travelers who collapse during their stay.

An estimated 480,000 foreigners worked in Japan in 1991, according to government statistics. As of November 1991, there were some 216,000 illegal foreign workers, a Justice Ministry document said.

Officials Report on Loan Pledges to Indonesia

OW1707113592 Tokyo KYODO in English 1042 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Japan is prepared to extend Indonesia some 158 billion yen, about 1.2 billion dollars, for its 18th yen-loan package, Foreign Ministry officials said Friday.

Japan expressed its willingness to extend the loans earlier in the day at an annual meeting in Paris of donors to Indonesia, the officials said.

They said about 40 percent of the loans, some 66 billion yen, would be in the form of quick-disbursing sector-project loans.

In yen terms, the new pledge is slightly lower than the 160 billion yen offered at last year's Consultative Group for Indonesia meeting, though it is equal in dollar terms.

Indonesia is the largest recipient of Japan's Official Development Assistance (ODA), having surpassed China in 1986. In fiscal 1990, which began in April of that year, it accounted for 12.5 percent of Japan's total ODA, against China's 10.4 percent.

Donor countries and organizations at the Paris meeting Thursday and Friday are expected to pledge roughly the same amount of aid to Jakarta as they did last year, some 4.8 billion dollars.

First Papua New Guinea Crude Oil Arrives

OW1707071892 Tokyo KYODO in English 0657 GMT 17 Jul 92

[Text] Kurashiki, Okayama Pref., July 17 KYODO—Mitsubishi Oil Co. said Friday it received here the first crude oil shipment from a Papuan oil field in which it had invested together with Japan's state-run oil corporation.

The crude oil, amounting to about 70,000 kiloliters, was received at the company's oil refinery in Kurashiki, the company officials said.

In 1990, Mitsubishi Oil and the Japan National Oil Corp. jointly invested in a Papuan oil development project in Kutubu, in western Papua New Guinea, and established a joint venture called Japan Papua New Guinea Petroleum Co.

The officials said the crude received Friday is called Kutubu light oil and is the first crude oil exported by Papua New Guinea.

Mitsubishi oil plans to import about 4.8 percent of a total of 32 million kiloliters of crude oil to be produced in the project, they said.

Final Election Drive Highlights Upcoming Week

OW1707063392 Tokyo KYODO in English 0516 GMT 17 Jul 92

[Excerpts] Tokyo, July 17 KYODO—Japanese political candidates and their supporters will be busy throughout next week making their final appeals to voters in the July 26 House of Councillors election.

Prime Minister Kiichi Miyazawa has had little time to relax since he returned home from the Munich summit of industrially advanced nations on July 10. Instead, he has been stumping various parts of the country in support of Liberal Democratic Party candidates for the upper chamber of the Diet. [passage omitted]

A prominent foreign figure slated to visit Japan next week is Thai opposition Leader Chamlong Srimuang, who is due to arrive in Osaka on Monday, July 20, for a two-week stay. Chamlong, who led an antigovernment movement in Bangkok in May, will come at the invitation of the Association of Medical Doctors for Asia (AMDA). He and 11 Thai farmers, agricultural school teachers, and physicians will visit Osaka and agricultural districts in other parts of Japan and will stop in Tokyo before returning home.

Another notable visitor will be Yegor K. Ligachev, once a member of the defunct Soviet Communist Party Politburo. He will give his views on the recent situation in Russia at a gathering at the Japan National Press Club on Wednesday, July 22.

Nobuo Matsunaga, former Japanese ambassador to the United States, will speak on the international political and economic situation at a luncheon meeting on Wednesday. It will be held at the Akasaka Tokyu Hotel under the sponsorship of an organization affiliated with KYODO News Service. Matsunaga attended the Munich summit in place of ailing Foreign Minister Michio Watanabe.

Also on Wednesday, Bank of Japan Governor Yasushi Mieno will hold a press conference. One of the questions likely to come up will be Germany's increase in its discount rate, effective July 17, by 0.75 percentage point to 8.75 percent.

Japan's top business executives will gather at a retreat near Mt. Fuji for a three-day forum starting Thursday, July 23.

Foreign ministers of member countries of the Association of Southeast Asian Nations (ASEAN) will meet in Manila from Tuesday to Sunday, July 26. Japan will take part in an ASEAN dialogue partners' session that will follow the foreign ministers' meeting.

Despite all these scheduled events, politics will dominate the upcoming week in Japan.

Prime Minister Miyazawa will have a chance to touch on the upper house election in a speech he is scheduled to deliver on Monday at a national meeting of Japanese employers in Tokyo. His scheduled stumping tour next week will take him to Kumamoto and Oita in Kyushu, Iwate in northeastern Honshu and back to Tokyo.

Miyazawa has been taking an active role in the current election campaign, the first poll at the national level since he became prime minister in November last year. In three upper house by-elections held this year, the ruling LDP has lost two and won one. [passage omitted]

Growth of Broad Money Supply Continues To Slow

OW1707111692 Tokyo KYODO in English 1051 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Japan's broad money supply expanded at a historically slow pace in June, marking the second month in a row of record low increases, the Bank of Japan (BOJ) said Friday.

The broad measure—combining cash in circulation, time and demand deposits, and certificates of deposit—inched up a record low 0.9 percent from June 1991, the central bank.

That sluggish growth was down from May's 1.1 percent year-on-year increase.

The broad money supply grew just 1.2 percent in the April-June quarter, well below the central bank's projection of around 2.0 percent.

A BOJ official attributed June's slowdown to declining growth in bank lending.

The continued decline in bank-lending growth overshadowed such factors as larger fiscal payments and a shift to money-denominated financial instruments from those

such as government bonds that are not included in the money supply figure, the official told reporters.

For the April-June quarter, the official traced the unexpectedly slow money-supply growth to a larger-than-expected shift of money to financial instruments not covered by the index, such as postal savings and money market funds, and to the unexpectedly weak bank lending.

Reflecting the slowing growth in bank lending, the growth of the broader measure of liquidity—which gauges not only money assets but also such instruments as government bonds and investment trusts—slowed in June to 4.0 percent from a year earlier after May's 4.3 percent year-on-year growth.

But the official reiterated the central bank view that the slowing money-supply growth is not putting a major drag on corporate financing or the overall economy.

He said bank lending is soft because corporate demand for capital is very weak as the economy is now at the bottom of the trough of the current downward cycle.

Sluggish asset transactions are also limiting growth in the money supply, the official said.

The outstanding money stock remained high in June at 503.0 trillion yen, he stressed.

Some private economists argue the extremely slow growth of the money supply indicates Japan's economy is plagued by deflation of asset values.

Nobuhiko Nakamura, general manager of Sakura Bank's research division, said the perception is spreading that the current slowdown of the economy is not a simple movement of the economic cycle.

"Asset deflation is retarding the recovery of the economy," Nakamura said.

The latest money supply statistics provide new ammunition to proponents of a monetary easing. Economists agree the central bank will cut its official discount rate in the next three months.

Most predict it will lower the benchmark rate in late August or September, timing it with the announcement of an expected supplementary budget.

But some see an earlier interest rate cut.

"Discussions at a meeting early this month of heads of BOJ branches show the bank's view on the economy has turned more bearish," said Yasumori Takahashi, a senior economist at the Industrial Bank of Japan.

"It is quite possible that the BOJ will move to cut the rate much earlier than September," when some important economic indicators are to be released, including the central bank's quarterly business confidence survey and gross national product figures for the April- June quarter, Takahashi said.

Mirroring the market's growing expectations of a quick monetary easing, a rumor hit the market Friday that the BOJ will cut the key lending rate Monday by 0.75 percentage point, market sources said.

Business Leaders Disagree on Discount Rate Cut

OW1707124192 Tokyo KYODO in English 1136 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Japanese business leader Masaru Hayami urged the Bank of Japan on Friday to cut its key lending rate, saying economic conditions warrant a cut to boost the economy.

Such factors as stable prices, a strong yen, and slow growth in the money supply all warrant a cut in the official discount rate, said the president of the Japan Association of Corporate Executives, one of the country's four major business groups.

"Conditions for a rate cut have been set," said Hayami, a former central bank executive.

If the bank does not act now, Hayami told a news conference, it could lose the chance to lower the key rate because of a possible rise in prices and a drop in the yen.

The bank last cut the discount rate April 1 by 0.75 percentage point to 3.75 percent a year.

Hayami earlier said there was room for the central bank to lower the rate, which it charges on loans to commercial banks, but did not explicitly call for such a cut.

But a life insurance industry leader expressed opposition to any reduction in the discount rate.

Yasuyuki Wakahara, chairman of the Life Insurance Association of Japan, told a press conference that another rate cut could undermine price stability and throw senior citizens living on pensions and savings into confusion.

Whether to lower the discount rate should be discussed from a comprehensive viewpoint, Wakahara said, adding the government should take additional pump-priming measures instead of a rate cut.

5-Year Economic Program Requires Social Changes

OW1707032992 Tokyo KYODO in English 2339 GMT 16 Jul 92

["News Focus" by Waka Hamada: "Five-Year Plan Implies Social Revolution"]

[Text] Tokyo, July 17 KYODO—In Japanese society of the 21st century, business people may be less involved in interminable, soporific meetings which so often prove inconsequential.

Many city cafes may see fewer salespersons killing time with their colleagues over a cup of coffee, and shoppers

may wonder at the simpler packaging of department stores and the disappearance of the well-loved service of free home delivery.

People addicted to boring meetings and afternoon teas might miss the good old days, but it is a price they will have to pay if Japan is to become a "life power" as envisaged by a new government five-year economic program, analysts say.

The pundits reckon that if the Japanese people really want to work less and enjoy their lives more, while maintaining a respectable economic growth, society as a whole will have to be drastically overhauled into a more efficient social, economic, and cultural system.

"Japanese businessmen, particularly white-collar workers, waste time every day in in-house politics in meetings and 'nemawashi' (behind-the-scene negotiations)," said Tadaaki Chigusa, director of McKinsey and Company, Inc.

"Unless such business customs change, Japanese industry will not be able to boost productivity enough to achieve the government's five-year plan," he said.

A German resident in Tokyo also said, "Everything is a lot slower in Japan. In Germany, they work like maniacs, whereas a Japanese comes to his office at nine and stays until nine or ten even if he has no work to do."

The government, partly in consideration of foreign criticism of Japan's relentless stream of exports, unveiled in late June a new economic plan aimed at encouraging people to enjoy their lives more, even at the expense of economic growth and loyalty to employers.

The plan calls for shortening the average annual working hours to 1,800 by the end of fiscal 1996 from an average 2,008 hours last year.

Shorter working hours will moderate, but not totally stall, Japan's economic growth, with annual expansion of 3.5 percent estimated during the five years, according to the program.

Private-sector economists say the 3.5 percent target is easily within reach for present-day Japan, but it may not be compatible with 1,800 annual working hours unless productivity is enhanced.

Japan "must increase productivity per capita, that is the real goal implied in the 3.5 percent target together with the reduction in work hours," said Jesper Koll, senior economist of S.G. Warburg Securities (Japan) Inc.

Many analysts agree that more efficient works by white-collar workers, particularly in the service, distribution, and other tertiary sectors, is the key for the success of the less-work-and-high-growth plan.

According to studies by the Japan Productivity Center, Japan's per-employee productivity in the commerce sector is almost half that of the U.S. and 25 percent lower than Germany's, while Japanese manufacturers' efficiency is among the highest in the world.

"The working hours of blue-collar workers can easily be shortened with little damage to their employers because robots can replace them," Chigusa said. "The problem is with white-collar workers."

He proposed companies do away with wasteful business practices like meetings and entrust each employee with more responsibility to enhance white-collar productivity.

Kuniyoshi Sasaki, director of the center's Productivity Research Institute, also noted that consumers, as well as producers, must change their values before they can be content with a simpler life.

"Our society is full of excessive services, like free home delivery by department stores. We have to ask ourselves, 'Do we really need all this?'" he said.

Chigusa also said discussion about industrial productivity should concern education too, since the current educational machine, turning out workers with similar ways of thinking and little creativity, runs against higher productivity and thus also against the philosophy behind the five-year program.

"Unfortunately, however, the bureaucrats in Kasumigaseki do not realize the implications of their five-year plan, so I don't expect the desired change will come about," he said, adding, "what we really need now is sound politics; economic growth is a secondary concern."

Kenneth Courtis, an economist with Deutchebank A.G., agreed, saying, Japan needs a prime minister who "technically is very competent" but who also "has a sense of where the future is and how to mobilize public opinion to support the change to get there."

Environment Agency Proposes Environment Tax

OW1707123692 Tokyo KYODO in English 1156 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—The Environment Agency hammered out a report Friday proposing a tax system for environmental preservation and an environmental assessment system, agency officials said.

The report is the gist of a basic environmental bill the agency plans to submit to an extraordinary Diet session this fall, the officials said.

A division of the agency that is drafting the bill submitted the report to the Central Council for Environmental Pollution Control and the Nature Conservation Council, the officials said.

Based on the report, the two councils will hold hearings next month with the various ministries involved as well as with industry members and hope to finish drafting the bill by the end of September, they said.

The report said it is important to acknowledge the environment's limitations so that future generations can inherit a sound and rich environment.

It also said the introduction of an environmental tax is necessary to cover the cost of using, preserving, and restoring the environment.

The tax would be essential to fully carry out environmental assessment to prevent large-scale development from destroying the environment, the report said.

The report also called on Japanese companies to take the environment into consideration in their overseas activities.

The environmental record of Japanese companies operating overseas has recently been under scrutiny.

One case surrounds a Mitsubishi Kasei Corp. joint venture in Malaysia. On Saturday, a Malaysian court ordered the closure of the joint venture's facility saying it poses a health risk to surrounding villagers by producing radioactive waste.

The case has drawn wide publicity in Japan in what is seen as the first example of a Japanese firm being accused of exporting pollution overseas to poor countries.

The Environment Agency report also called for the government to set specific goals and standards for the nation's environmental measures, such as planned restrictions on the emission of carbon dioxide.

Carbon dioxide is believed to be the major cause for global warming.

North Korea

6th N-S Military Subcommittee Meeting Held

SK1607135992 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 16 Jul 92

[Text] The sixth round meeting of the Military Subcommittee of the North-South high-level talks was held in the South side's area of Panmunjom today in an open session.

In a keynote speech, our side's chairman noted that the South side is systematically delaying the discussion of issues by presenting an insufficient draft annexed agreement and by making absurd assertions irrelevant to the implementation of nonaggression at every meeting, running counter to the yearning of the entire nation, which wishes the North-South agreement to be implemented soon.

Our side's chairman revealed that the South side is delaying the implementation of nonaggression with the purpose of carrying out its insidious scheme in compliance with the demand of the United States, which does not favor the implementation of the North-South agreement, by trying to resolve the peace issue by depending on outside forces and by further aggravating the situation with someone else's strength [kunuguui himul piro] backing it. Then he stated again the principled position to be followed in working out the annexed agreement on nonaggression to be produced by the Military Subcommittee. Namely, it should first be a comprehensive single agreement thoroughly incorporating all the implementation measures for all the clauses related to nonaggression. Second, it should be consistent with the measures for thoroughly implementing nonaggression. Third, it should be worked out fairly to facilitate agreement.

Our side's chairman then urged the South side to begin discussing issues based on our draft annexed agreement, which most thoroughly enables nonaggression to be implemented.

Meanwhile, the South side, in a keynote speech, reiterated its unjust position and offered a so-called counterproposal, a duplication of its previous draft annexed agreement. In the so-called counterproposal, the South side still includes such unnecessary English definitions as [word indistinct] and aggression, stating that this takes into consideration confidence building between the North and the South and the relations with third countries and the international charter [kukche honjang].

Our side's chairman said that the South Korean authorities have recently been continuing nuclear commotions and are engaged in acts against the other dialogue party, raving about the resumption of the Team Spirit joint military exercise and the Focus Lance exercise. In so saying, he demanded that the South side first clarify whether or not this means that it intends to implement the North-South agreement.

In addition, our side's chairman pointed out that the South side is discussing confidence building in its counterproposal. After noting the circumstances in which the South side is putting pressure on its dialogue partner over the nuclear issue, he said that it is avoiding discussing a basic issue and is giving a so-called letter of commission [wichokchang] to deserters to clamorously restore [subok] the North. Our side's chairman asked the South side how on earth confidence can be built.

After noting that the South side claims that our side's annexed agreement is only for declaration purposes, our side's chairman said that our side's annexed agreement includes tangible and practical measures. He asked the South side why on earth it persists in objecting to including in the annexed agreement a prohibition on reconnaissance activity and a third country's aggressive acts.

In this connection, the South side said that to implement the annexed agreement is its will. It made an excuse by saying that its remarks, that if the nuclear issue is not resolved then practical progress cannot be made in the North-South relations, are nothing but an expression of its concern.

The South side said that the North side's demand for stopping military exercises is not appropriate and that it is impossible to live in international society without following international law and the international charter. The South side asked our side to stop saying that the

South side is dependent on foreign forces and that it follows [sunjong] the United States.

In this connection, after clearly revealing that if the South side correctly handles issues from an independent standpoint, our side will not take issue with the South side's attitude, our side's chairman pointed out that because the South side is conducting offensive exercises, namely nuclear war exercises, against its dialogue partner, we take issue with military exercises.

After saying that the South side's excuse about the nuclear issue is unreasonable, our side's chairman warned the South side not to conduct activities aggravating North-South relations and inciting confrontation. While paying attention to the South side's remarks that it will implement the North-South agreement, our side's chairman proposed that discussion of main issues start.

At today's meeting, thanks to our side's sincere efforts, an agreement was reached on the title and preface of the annexed agreement and on the titles of some charters.

In sum, our side's chairman said that the South side should keep in mind that if it conducts the Team Spirit joint military exercise and Focus Lens exercies, grave consequences will arise before the talks. Our side's chairman urged the South side to act with discretion.

Both sides decided to hold the next Military Subcommittee's chairmen's contact on 23 July.

Joint U.S.-ROK Military Training Denounced

SK1707050792 Pyongyang KCNA in English
0414 GMT 17 Jul 92

[Text] Pyongyang, July 17 (KCNA)—If the United States and the South Korean rulers hold the Focus Lance [as received] joint military training, throwing a wet blanket over and putting a brakes on the implementation of the North-South agreement, they will bear full responsibility for all the consequences arising therefrom.

This is stressed in Information No. 610 issued by the secretariat of the Committee for the Peaceful Reunification of the Fatherland on July 16, denouncing the U.S. imperialists and the South Korean authorities for having decided to hold the focus lance joint military training.

The information says:

Nuclear inspection of the DPRK by the International Atomic Energy Agency is being conducted smoothly and, in this course, nuclear facilities of the DPRK have proved to be for peaceful purposes. At this time, the U.S. imperialists and the South Korean authorities plan to hold a military training against the DPRK. This shows they intend to ignite a new war on the Korean peninsula at any cost under some pretext.

Their plan, which was announced at a time when the North is showing sincerity in implementing the North-South agreement and making every effort possible to realise the pan-national rally and the exchange of old patents' visiting groups and art troupes, is another patent proof that they neither want peace and reconciliation nor intend to reunify the country peacefully.

We bitterly denounce in the name of the entire fellow countrymen the focus lance joint military training as an open perfidy to the North-South agreement, an overt challenge to our peace efforts and an unpardonable crime against peace and peaceful reunification of Korea.

Talks Held To Plan 'Grand Festival of Students'

SK1707111592 Pyongyang KCNA in English
1034 GMT 17 Jul 92

[Text] Pyongyang, July 17 (KCNA)—The second working-level talks for the second grand festival of students in the North, South and overseas for reunification for independence, peaceful reunification and great national unity of the country and the inaugural ceremony of the National Alliance of Students for the Country's Reunification (Pomchonghaknyon) were held Wednesday [16 July] in Pyongyang, Berlin and Tokyo through the Joint Liaison Headquarters in Pomchonghaknyon.

A series of matters arising in the second grand festival and the inaugural ceremony of Pomchonghaknyon which will be held on the occasion of August 15 were sincerely discussed and agreed upon at the talks.

According to the agreement reached at the talks, the meeting will be named "the second grand festival of students in the North, South and overseas for reunification for independence, peaceful reunification and great national unity of the country and inaugural ceremony of the National Alliance of Students for the Country's Reunification" and its venue will be Panmunjom. It was decided to hold the meeting in Panmunjom and Seoul simultaneously in case South Korean students cannot cross the line at Panmunjom owing to the obstructive manoeuvres of the South Korean authorities.

It was agreed to set the period of the meeting from August 9 to 16, 1992, and include in the program of the functions cross-country grand marches from Mt. Paektu to Panmunjom in the North and from Mt. Halla to Panmunjom in the South between August 9 and 14, a joint meeting of students in the North, South and overseas to form Pomchonghaknyon, cultural and art performances, independent exchange and solidarity meeting, film festival, sports meet and various other functions.

It was decided to adopt and publish the program and statute of Pomchonghaknyon at the inaugural ceremony of Pomchonghaknyon slated for August 15.

South Scored for Blocking Meeting

SK1707114292 Pyongyang KCNA in English
1040 GMT 17 Jul 92

[Text] Pyongyang, July 17 (KCNA)—A spokesman for the Korean Students Committee issued a statement to

the press on July 17 denouncing the South Korean authorities for blocking the meeting of Korean students for the second grand reunification festival of students in the North, the South and overseas and for the formation of Pomchonghaknyon [National Alliance of Students for the Country's Reunification].

The first working-level talks for the second grand reunification festival of students in the North, the South and overseas and for an inaugural ceremony of Pomchonghaknyon held in Berlin at the end of May decided to open the second talks in Seoul on July 15 and finally discuss and confirm concrete matters, the statement said, adding: The South Korean authorities, however, blocked the meeting of students in the North, the South and overseas, saying that they can not allow the grand reunification festival of students and the plan for forming Pomchonghaknyon should be cancelled.

The statement further said:

A few days ago, the South Korean authorities blocked officials of the North side's headquarters and the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) from going to Seoul to discuss working matters concerning the third pan-national rally, and today, they again blocked the meeting between students in the North, the South and overseas. This fully showed again that they are a group of those opposed to reunification who are giving lip-service to "national reconciliation" and "reunification" but actually have an ulterior intention for confrontation and division.

Although the South Korean authorities made the working-level talks in Seoul abortive, students in the North, the South and overseas discussed, through the Joint Liaison Headquarters of Pomchonghaknyon, working matters for holding the second grand reunification festival of students on August 15 and forming Pomchonghaknyon. All function programs of the second grand reunification festival and the formation of Pomchonghaknyon were confirmed and agreed upon.

The students in the North, the South and overseas will frustrate any obstructive moves of the splittist forces and hold the 2nd grand reunification festival and form Pomchonghaknyon without fail, holding higher the banner of reunification and patriotism.

The South Korean authorities must discard their old aattitude of division and confrontation and take part in the grand reunification march of the nation.

Our students in the North, the South and overseas will continuously follow the attitude of the South Korean authorities together with the entire fellow countrymen.

South's Stand on Comfort Women Issue Criticized

SK1707052392 Pyongyang KCNA in English
0447 GMT 17 Jul 92

["Disgraceful Sycophancy to Japan"—KCNA headline]

[Text] Pyongyany, July 17 (KCNA)—Papers here today raps at the rigmarole of the South Korean authorities sycophantic to Japan in the problem of "comfort women for the army."

After the results of investigation of the Japanese Government into this matter were made public recently, the South Korean authorities have manipulated media, pressmen and writers on their payroll to cry that it is important to leave a record about the "comfort women for the army" to be judged by history, not getting compensation, because it is a "shameful" thing that hurts "self- respect." They say the "government" is "examining" a measure that would replace compensation from Japan.

This is a trick to hush up the problem of "comfort women for the army" in the long run by making it a fait accompli not to demand compensation under the pretext of "public opinion" and the like, says NODONG SINMUN in a commentary.

The analyst says:

This is a vicious act of the South Korean authorities dancing to the drum-beating of Japan which claims that the problem of compensation has been completely settled by the South Korea-Japan pact.

As for the issue of the "comfort women for the army", it is a matter of the heinous crimes committed by the Japanese authorities and military and police that took away nearly 200,000 Korean women and reduced them to sexual slaves for the aggression army. This is not confined to the individual victims but is related to the dignity of our nation. A shame to the nation is the disgraceful act of theirs who are reluctant to get sincere apology and compensation to Korean women who were drafted as "comfort women" and suffered all manner of mental distress and physical pains, under the pretext of "shame" and "self-respect". And a judgement of the crimes of the Japanese imperialists by history is possible only when our nation wrest apology and compensation from Japan.

The South Korean authorities must renounce the shameful flunkeyist attitude toward Japan and, though belatedly, must respond to the North's proposal to take a joint step of the North and the South against Japan over the problem of "comfort women for the army".

A MINJU CHOSON analyst says that if the South Korean authorities really have the intention to defend the dignity of the nation, they must not let hack writers oppose compensation from Japan but pool efforts with the North and take a joint action to get compensation.

Chuche Idea Linked With Independence Development

SK1707104692 Pyongyang KCNA in English
1022 GMT 17 Jul 92

["History Will Advance Only Along Orbit of Independence"—KCNA headline]

[Text] Pyongyang, July 17 (KCNA)—NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, today carried a lengthy article titled "History Will Advance Only Along the Orbit of Independence".

The authors of the article say:

It is an irresistible trend of historical development that the people advance to socialism along the track of independence and it is truth beyond doubt that the man-centred socialist society in which the popular masses are the driving force and their purpose and desire for independence are completely realised will win victory worldwide.

The article says in its first part that the chuche idea which was founded by the great leader Comrade Kim Il-song and is being developed in depth by our party is the most steadfast idea of independence on the highest peak of ideological development of mankind.

The chuche idea is an idea indicating perfectly and originally the way of shaping the destiny of mankind and an idea of great universal significance in accomplishing the human cause of independence, the article says, and continues: This idea will fly high for ever as the banner of struggle of the revolutionary people to build a new world of independence and advance with a tight hold on their destiny, and as their banner of life and banner of victory.

The article in its second part says that the chuche idea has a great influence on the ideological and spiritual life of mankind and the process of revolutionary changes of the world.

It continues:

The great renovative role of this idea is that it has brought about a fundamental change in the ideological and spiritual life of mankind and it is being demonstrated unreservedly in powerfully stimulating the cause of human liberation in full scale.

It is the world-historic exploits of the chuche idea to have freed man from the yoke of non-resistant fatalism, corrupt and decadent reactionary idea and the idea of dependence on and submission to outside forces and led them to live an ideological and spiritual life overflowing with independence and creation as the driving force of history.

This idea has opened a glorious age for all the countries and peoples under different historical conditions and stages of development and with diverse national characteristics to achieve national and class liberation by liquidating all manner of exploitation and suppression.

The great chuche idea has brought a new turn in the development of international relations and is giving a powerful impetus to making the whole world independent by putting forth independence as the basic principle of relations between the parties and between states.

There may be turns and twists in the course of the advance of history. But there can never be a change in the law of the development of history that the independent force overwhelms the imperialist reactionary force and the cause of independence emerges victorious ultimately.

In the third part the article declares that the Korean-style socialism built by the Korean people through the application of the chuche idea is a superior socialism centred on the masses, the first of its kind in history, vivacious and promising socialism with eternal vitality.

It stresses:

Today socialism is making a long drive and its advantages are being fully displayed in Korea. This is a stern declaration of the folly and failure of the imperialists' anti-socialist moves and this gives optimism and confidence that the cause of socialism is ever-victorious, although there may be temporary difficulties and setbacks in the way of its advance.

The Korean-style socialism centred on the masses which is coming into full bloom in the cause of modelling the whole society on the chuche idea under the tested leadership of the dear leader Comrade Kim Chong-il is a virile and promising socialism with eternal vitality.

Ideological Unity of Society Stressed

SK1707050692 Pyongyang Korean Central Broadcasting Network in Korean 0011 GMT 9 Jul 92

[NODONG SINMUN 9 July special article: "Ideological Unity of the Whole Society Is the Key to the Ideological Revolution"]

[Text] The ideological revolution is the inevitable demand of socialist-communist construction and the most important revolutionary task for the working-class party after the socialist system is built.

We should carry out the ideological revolution thoroughly in order to liberate the whole society from the bonds of all forms of old ideas, bring them up to be the chuche-type revolutionaries, strengthen the main force of the revolution, and successfully carry out the socialist-communist cause.

The dear leader Comrade Kim Chong-il clearly set forth the fundamental problems in carrying out the ideological revolution in his classical work "The Historical Lesson of Socialist Construction and Our Party's General Line," thereby setting down a way to strengthen the main force of the revolution and give full play to the superiority of socialism of our own style.

The dear leader Comrade Kim Chong-il has noted: The key to carrying out the ideological revolution is to arm all people firmly with our party's revolutionary ideology, the chuche idea, and to firmly realize the ideological unity of the whole society based on that.

The ideological revolution is the work of arming people with independent ideological consciousness and providing the main force of the socialist-communist society, and this is the key to reshaping people. Reshaping people is essentially ideological reshaping. Man's character is defined by ideological consciousness, and ideological consciousness plays a decisive role in all of people's activities. People's ideological consciousness is not reshaped automatically. Changes in objective conditions play a part in the development of people's ideological consciousness. However, even if the socialist system is established and material wealth increases, people do not acquire a communist ideology on their own. The more the socialist system is established and the more socialist construction deepens and develops, the more we should intensify the ideological revolution.

The key to ideological revolution is to arm all people firmly with our party's revolutionary ideology, the chuche idea, and firmly realize the ideological unity of the whole society based on that. Arming people with the chuche idea and realizing the ideological unity of the whole society based on that is the key to carrying out the ideological revolution because, more than anything else, this is the natural demand of socialist society. Socialist society, by its very nature, demands the monolithic domination of the working class revolutionary ideology. In a socialist society where the socioeconomic foundation that gives birth to old ideas is brought to an end and where class conflict no longer exists, it is inevitable that one ideology rules. In a capitalist society where people's class positions vary and where people's interests conflict, one ideology cannot completely rule over society; therefore, it is inevitable that various ideologies and ideas exist. As a result, people cannot have one ideology, nor can there be ideological unity in society.

It is only in a socialist society that one ideology rules over the entire society. Of course, under the circumstances where old ideological remnants remain in a socialist society and where the imperialists' ideological and cultural infiltration is being perpetrated, the monolithic domination of the revolutionary ideology of the working class cannot come about easily. Man's ideological consciousness is influenced by socioeconomic conditions, but it is not automatically transformed with the establishment of a new socioeconomic system. There is no vacancy in people's ideological consciousness. People, without exception, are influenced by either the working class revolutionary ideology or the bourgeois ideology. In particular, under the condition where the imperialists and the reactionaries are viciously trying to infiltrate socialist countries ideologically and culturally, if we weaken the work of arming people with the working class ideology, the bourgeois liberalization tendency can make inroads. Therefore, it is the natural demand of socialist society to conduct the ideological revolution by placing major emphasis on arming people firmly with the working class revolutionary ideology, the chuche idea, and realizing ideological unity based on that.

The chuche idea is a man-centered outlook on the world and the only guiding ideology of our revolution. Because it embodies the chuche idea, the socialism of our country is man-centered socialism in which people are the masters of everything and in which everything serves people. Therefore, it is the natural demand of socialism of our own style to arm people firmly with the chuche idea and realize ideological unity based on that. When we vigorously push ahead with the ideological revolution to arm people with the chuche idea, we can arm all members of society with one ideology, the working class revolutionary ideology, and firmly realize the indestructible unity and cohesion of the entire society based on the chuche idea. This is a firm guarantee for resolutely defending and adhering to the popular mass-oriented socialism of our own style and giving full play to its superiority.

The ideological revolution is based on firmly arming the people with the chuche idea and realizing ideological unity based on this. This is the most important step in successfully constructing socialism.

In a socialist society the popular masses are the masters. A socialist society is a developing society which is in conformity with the cohesion and unity of the popular masses' creativity. The popular masses are struggling as comrades by uniting with each other with high consciousness and using their ability to be masters. Herein lies the true nature of a socialist society, which is distinguished from all exploitative societies, and the driving force promoting the development of a socialist society.

Enhancing the chuche-oriented role is a fundamental method in successfully promoting socialist construction. Socialist construction should be conducted by strengthening the main force of the revolutionary individual, which is done by indoctrinating the popular masses in a communist way, by giving priority to the work of remodeling man and firmly uniting the popular masses around the party, and by demonstrating to the utmost the masses' revolutionary enthusiasm and creativity. There can be no magic mo e wonderful in promoting socialist construction.

If money is life in a capitalist society, where materialism is primary, we can say that ideology is life in a socialist society where the popular masses are the masters. The superiority of a socialist society over a capitalist society reflects the superiority of the ideology, and socialist might is ideological might. Therefore, being indifferent to the ideological revolution is the same as letting go of the lifeline in socialist construction. The chuche idea puts forth the popular masses as the main force of the social movement. The socialist movement is created and developed by the independent, creative, and conscious activities of the popular masses who are the main force of this movement.

The social movement to change and reform nature and society cannot occur and the historical development of

society cannot be achieved without the popular masses. The main force behind a socialist society is the popular masses, but the popular masses must firmly unite around the party and the leader as one to fully play the role of an independent main force of the revolution and successfully fulfill socialist construction.

The chuche idea not only puts forth the popular masses as the main force of the social movement, but also paves the road for a strong main force of the revolution by firmly uniting around the party and the leader. The main force of the revolution is a unified body of the leader, the party, and the masses. When all members of society firmly arm themselves with the chuche idea and achieve ideological unity of the whole society based on this, a strong main force of the revolution can be provided and the chuche-oriented role can be endlessly enhanced. If the ideological revolution is strengthened, the popular masses are armed with the chuche idea, and the main force of the revolution is firm, socialist construction can be successfully pushed ahead under any circumstance and the socialist cause can be firmly defended.

In carrying out ideological revolution we must basically adhere to achieving ideological unity of the whole society based on the chuche idea. This is a lofty truth which our revolutionary practice proves. In the past our party put forth the ideological revolution as the most important task in the struggle to construct socialism, consistently adhered to the principle of firmly giving priority to the ideological revolution, and endlessly intensified and developed the ideological revolution in accordance with the advance in revolution and construction.

Based on the chuche idea, our party is arming the people with the revolutionary view of the leader, the organization, and the masses, and has carried out the ideological revolution by making one social and political organic body in which all the people unite around the party and the leader, sharing the same fate. The ideology for the revolutionary view of the leader, the organization, and masses is a unique ideology based on a scientific explanation of the independent main force of the revolution. This makes it possible to provide a strong main force of the revolution.

When the people are armed with the chuche idea and ideological unity of the whole society based on this is achieved, all the people of our country will be able to firmly unite around the party and the leader, thus magnificently fulfilling the responsibility and role of master of the revolution and construction. With high pride and dignity that comes from being the people who carry out the revolution, our people are devoting all of their strength and wisdom to the worthwhile struggle for socialism. Among them, the communist trait of working and living in a revolutionary way by helping and leading each other under the collective principle of one for all and all for one, is being highly manifested. Among our people, the ranks of true chuche-type communist revolutionaries and unsung heroes who are devotedly struggling by silently and invisibly sacrificing their lives for society, the group, the party, and the revolution are increasing endlessly.

In the struggle for ideological unity of the whole society based on the chuche idea, our society's cohesion and unity are being raised to the highest level. Our society's true form is that the leader, the party, and the masses who are sharing the same fate are united with one social and political organic body, and the whole society is one great revolutionary home. All the people are firmly united around the party and the leader and are struggling and living with overflowing faith and optimism. This is possible because our party is firmly arming the people with the chuche idea. Based on this, achieving ideological unity of the whole society will lay the foundation for adhering to the fulfillment of the ideological revolution.

South Korea

U.S. Congressman Cited on Regional Security Body

SK1507063992 Seoul YONHAP in English 0516 GMT 15 Jul 92

[Text] Seoul, July 15 (YONHAP)—An influential U.S. congressman was quoted here [as received] Wednesday [15 July] as saying that the United States could consider formation of a collective security and cooperation organization around the Korean peninsula if its participation was guaranteed.

Rep. Stephen Solarz (D.-N.Y.), chairman of the House Subcommittee on East Asian and Pacific Affairs, was answering a question by a group of visiting Korean lawmakers if a security organization, patterned after the Conference on Security and Cooperation in Europe (CSCE), could be formed in Asia.

The group, consisting of lawmakers of the minor opposition Unification National Party (UNP) [United People's Party] and led by Rep. Chong Mong-chun, is in New York attending the national convention of the Democratic Party of the United States, UNP sources said.

The idea of establishing a security and cooperation body for the Asian and Pacific region was first advanced by former Soviet President Mikhail Gorbachev, but the United States has shown a negative response to it.

In Tokyo, Japanese Prime Minister Kiichi Miyazawa suggested in a press conference Tuesday establishment of a CSCE-style regional security system.

Referring to the North Korean nuclear issue, Solarz said it was possible that Pyongyang had hidden nuclear reprocessing and other facilities underground. He said he opposed the withdrawal of U.S. troops from South Korea as long as North Korea refused to accept bilateral inspections of nuclear and military facilities with South Korea.

On Japan's participation in United Nations peacekeeping operations (PKO), Solarz said the Japanese move did not necessarily mean the revival of militarism in Japan.

Seoul To Consider Sending Troops to Cambodia

SK1707124492 Seoul CHUNGANG ILBO in Korean 17 Jul 92 p 2

[Text] It was learned on 17 July that because Cambodia had expressed the hope that the ROK would send troops, including infantrymen, for Cambodian peacekeeping operations, the ROK Government has decided to positively examine dispatching troops and having diplomatic consultations with its neighboring countries.

A high-ranking ROK Government official said: "When Cambodian Prime Minister Hun Sen was receiving the ROK ambassador to a Southeast Asian county, he urgently requested the ROK to send troops to Cambodia, saying that the ROK troops are necessary for solving postwar problems in Cambodia."

This official also said that Prime Minister Hun Sen had said that infantry units are necessary for efficient peacekeeping operations.

This official went on to say: "This request by Cambodia was reported at the 15 July meeting at Chongwadae [presidential office], in which cabinet ministers extensively discussed the peacekeeping operations."

The government is planning to seriously deal with this issue and to examine public opinion and the influence this issue would have on the presidential election. The government is also planning to examine our neighboring countries' interests. Because the UN Transitional Authority in Cambodia will be inaugurated in May 1993, the issue will be dealt with in earnest after the presidential election.

In connection with this, the ROK Defense Ministry is planning to explain Cambodia's position on peacekeeping operations and various other matters to the ruling and opposition parties to seek cooperation from them.

Businessmen Plan To Visit North Korea in Sep

SK1707012592 Seoul CHOSON ILBO in Korean 16 Jul 92 p 1

[Text] A North-South joint economic committee will be formed this September and a civilian economic delegation composed of leading domestic business firms such as Samsung, Daewoo, Lucky Gold Star, and Hyundai business groups will visit North Korea in the same month.

On 15 July, an official of Samsung Products Company revealed that "the Samsung Business Group has been pushing ahead with a plan to promote business in North Korea for 10 of its items, including electronic products, textile goods, shoes, and other daily necessities, with the hope that North-South joint venture projects will be approved by the government in the near future."

He also said: Negotiations have been unofficially carried out for these joint venture projects with the North Korean side planning to build industrial complexes in Najin and Sonbong, North Korea. An economic cooperation delegation to be composed of South Korean businessmen will officially visit North Korea in September to discuss detailed plans with the North Korean side.

The economic cooperation delegation will include high-level businessmen, including Kim U-chung, president of Daewoo Business Group; Yi Pil-kon, vice president of Samsung Products Company; and Chon Chin-hwan, president of Lucky Gold Star Company. Working-level business figures in the light industry sector, too, will join the delegation.

No Tae-u Says Land Fraud Scandal 'Regrettable'

SK1607113892 Seoul YONHAP in English 1034 GMT 16 Jul 92

[Text] Seoul, July 16 (YONHAP)—President No Tae-u, vowing he would see to it that light is shed throughly on the controversial land scam, said Thursday the government would take steps to prevent the recurrence of similar scandals.

While having a weekly meeting with Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP], at Chongwadae, No said it is regrettable that such an incident had occurred especially because the scandal served to deepen distrust in leading figures of the society and disturbed the monetary order.

Also noting that irresponsible remarks by some political leaders used to be reported by the press unfiltered to add to people's misgivings, the president said such a practice, which he said cannot contribute to resolving the incident, should be rectified forthwith.

He then urged the DLP leader to try to pool wisdom in easing financial problems facing small industries and also the sluggish stock market prompted by the land scam.

During the meeting, Kim expressed welcome to the reported plan of North Korea's Deputy Premier Kim Tal-hyon to visit Seoul shortly.

"North Korea should be more sincere toward implementing the basic South-North agreement since the resolution of the controversial nuclear question and meeting between dispersed families could accelerate substantial progress in South-North relations," Kim said.

No Tae-u Urges Order During Election Campaign

SK1707042292 Seoul THE KOREA HERALD in English 17 Jul 92 p 2

[Text] President No Tae-u yesterday called for curbing unlawful activities and disorderly conducts by groups during the coming presidential election campaign.

"I am concerned about a possible erosion of discipline among civil servants and the general public during the campaign," No told about 310 local administrators from throughout the country, including mayors and county chiefs, who met at the Sejong Cultural Center in Seoul to discuss the government-initiated "New order, New life" campaign.

"Law-enforcement authorities should act rigorously against violent group activities and other acts undermining social order and discipline," the President said.

"We should firmly establish stability and order, whatever the price."

The presidential election is expected in mid-December. Candidates are given a one-month period to campaign but candidates of both the ruling and opposition parties are now being accused of "premature campaigning."

No asked those attending the meeting to do their best to help revive the vitality of the economy in their respective regions.

Sources Cited on Next Ruling Party President

SK1707024292 Seoul YONHAP in English
0134 GMT 17 Jul 92

[Text] Seoul, July 17 (YONHAP)—Kim Yong-sam, executive chairman and presidential candidate of the Democratic Liberal Party (DLP), will be appointed president of the ruling party by the party central standing committee at a meeting on Aug. 14, party sources said Friday [17 July].

The current DLP president, No Tae-u, will become honorary president of the party, they said.

The sources also said the leadership of the party had decided that co-chairman Kim Chong-pil would succeed Kim Yong-sam as DLP executive chairman.

The plan was discussed and agreed on by No and Kim Yong-sam in their weekly one-on-one meeting at Chongwadae on Thursday, the sources said.

The central standing committee is required to meet no later than Aug. 17 under the party constitution, which says that the committee must meet within 90 days after a national convention. The party's convention was on May 19.

The party leaders also decided to scrap an earlier plan to increase the number of co-chairmanships on the executive council from the current five. The executive chairman holds one of the seats and two are vacant.

Pak Tae-chun will be retained as a co-chairman and Kwon Ik-hyon will be promoted to join him, the sources said.

DLP, UNP Leaders To Discuss Assembly's Fate

SK1707054192 Seoul YONHAP in English
0439 GMT 17 Jul 92

[Text] Seoul, July 17 (YONHAP)—Next week is to be critical in deciding the fate of the National Assembly as the leaders of the ruling party and a splinter opposition group plan to meet without a representative of the major opposition party.

Unification National Party (UNP) [United People's Party—UPP] leader Chong Chu-yong told a news conference Friday [17 July] he planned to meet with ruling Democratic Liberal Party (DLP) executive chairman Kim Yong-sam next week to discuss normalization of the National Assembly.

Sources said a date was tentatively set for Monday or Tuesday.

"I will meet with Kim early next week to discuss and review National Assembly affairs. The Democratic Party (DP) will then give up its refusal to return to the National Assembly," Chong told reporters.

Kim confirmed Chong's remarks, saying he had first proposed the meeting and would talk with Chong at any time.

He said he had instructed the DLP floor leader to negotiate with the UNP on a date for the meeting.

Chong met earlier this week with DP leader Kim Tae-chung to decide whether they should return to the National Assembly. Sources said the two leaders were far apart in their views, with Chong insisting on participating in the National Assembly and Kim refusing unless the ruling camp rescinded a decision to postpone local elections promised for this year.

Chong told reporters Friday he believed in keeping disputes within the home, suggesting that he thinks the DP should enter the National Assembly and pursue its goals there instead of doing it from the outside.

Chong said his UNP and the DLP might operate the National Assembly by themselves if DP refused to cooperate.

The ruling camp has been saying it will not convene the assembly without the main opposition party, but DLP floor leader Kim Yong-tae hinted at a new approach Friday.

"If the DP continues to refuse to return to the National Assembly while the UNP leadership agrees to return alone, we will study the possibility positively," Kim said.

Asked about opening an extraordinary session in August, Kim said it was too early to discuss it but that the DLP would consider it if the UNP proposed such a session.

The DLP has reportedly begun to prepare opening speeches and get ready for committee hearings in case the National Assembly convenes soon with just the DLP and UNP.

UNP floor leader Kim Chong-nam said next week's Chong-Kim meeting must produce a definitive decision on normalizing assembly affairs. The remarks, party sources say, reflected the UNP's decision to act without the DP if necessary.

The only party that is unchanged is the DP, whose floor leader Yi Chol said that no matter what the UNP did his party would not return to the National Assembly without a settlement of the local election issue.

Foreign Investment To Be Further Liberalized

SK1507032192 Seoul THE KOREA HERALD in English 15 Jul 92 p 8

[Excerpt] Beginning Jan. 1, next year, foreigners will only be required to report to the government when they make investments in 910 liberalized businesses, including synthetic resin manufacturing, instead of obtaining prior permission, the Ministry of Finance said yesterday.

At present, the reporting system for foreign investment is applied only to those making investments of less than 50 percent in the liberalized sectors.

However, foreigners willing to make investments in the other 238 business sectors, including general trading and dairy farming, will still have to get government approval.

These measures, designed to simplify foreign investment procedures, will go into effect starting Jan. 1, 1993 after receiving approval from the upcoming regular session of the National Assembly, the ministry said.

In a related development, the government is planning to set up an industrial complex exclusively for foreign investors in Asan-kun, Chungchongnam-to. [passage omitted]

New Measures Exempt Receiving Export Approval

SK1707041592 Seoul THE KOREA HERALD in English 17 Jul 92 p 8

[Text] Starting July 1 next year, those who export less than $10,000 worth of goods will be exempted from receiving government approval and most export inspections by the end of 1993.

High-tech industrial plants which produce small amounts of pollution will be allowed in areas where development is reserved for defense and other reasons.

These are part of a package of measures to relax restrictions imposed on economic activities which the government and the ruling party agreed to work out at a meeting yesterday. The government and the ruling party decided to seek a revision of relevant laws needed for the implementation of the steps as soon as possible.

The government will give the green light for construction of high-tech industrial plants such as computer programming in the capital area.

Restrictions on the minimum distance between irrigation reservoirs and planned factories will be relaxed to 5 km instead of 10 km.

The procedure for extending mortgage loans to businesses will also be simplified considerably.

The government will relax the requirement for small-and medium-sized firms to hire a set number of security, kitchen and other non-essential personnel.

Industry To Give Candidates Recommendations

SK1607062792 Seoul THE KOREA HERALD in English 16 Jul 92 p 8

[By staff reporter Yi Kap-su]

[Text] The Federation of Korean Industries [FKI], a grouping of Korea's major large enterprises, Tuesday [14 July] strongly suggested basic principles of state management to the government, discarding its past practice of complying with or following government guidelines "blindly."

Adopting a proposition on the "promising" direction of government policy actions, a group of FKI senior leaders said that the new government to be created next year following the presidential election later this year should be a small but democratic government.

The FKI recommendation paper to be presented in September to each presidential candidate of the ruling and opposition political parties was made based on three important premises—the market theory of demand and supply, service-oriented administration, and reinforcement of industrial competitiveness.

It is the first time that the FKI has worked out a package of formal recommendations aimed at the future direction of government policies encompassing six major fields—industry, financing, education & welfare, administration, and unification.

Nobody knows how much of the FKI recommendations will be reflected by the new government in carrying out its political, social, and economic policies.

One apparent thing, however, is that the impact of the FKI suggestions will be great, considering that it was a gathering of common opinions made by major business groups and large companies and that the new government may be the most democratic ever.

In the paper, the FKI strongly attacked the Sixth Republic government, citing its monetary and financing policies as "too conservative."

Monetary control should be shifted from the present direct regulations based on total money supply to indirect regulations focused on the monetary situation of banks and businesses, it said.

Countering the government's squeezed fiscal policy, the FKI said drastic expansion in fiscal spendings would be a prerequisite to tide over the difficulties facing the Korean economy.

On ways of strengthening industrial competitiveness, the FKI said it is essential for the government to invest 17-18 percent of the GNP in facilities of manufacturing industry.

Criticizing the government's excessive control over financing and business activities, the FKI demanded that the government pursue "real" privatization of banks by handing over the power to select heads and executives of banks to private shareholders.

To prevent corruption and irregularities prevailing in society, the government should raise the wages of public servants to the levels of state-run corporations next year, it also said.

It also called on the government to create a task force to exclusively deal with national land at Chongwadae in order to readjust the ongoing ineffective national land management projects.

The background to these and other adamant demands by the FKI could be explained two different ways, economic experts here say.

One is the FKI's aggressive attitude toward government policies ahead of the presidential election slated for December, which may provide large corporations with strong safeguards against possible economic renovation steps coming in the election campaign, they say.

It is well attested by the FKI's recent opposition to the government's new industrial policy to specialize business lines of the nation's major business groups and reduce their bank loans and payment guarantees.

Another target of the FKI's recommendation is to increase the private economic body's influence over government policies in the future as does the Japanese "Keidanren," they say.

Choe Chong-hyon, chairman of Sunkyong Business Group, who led the recommendation paper project, recently said the future role of the FKI should be of great help to the government's state control.

In the meantime, Deputy Prime Minister Choe Kak-kyu said yesterday in a meeting with FKI members that the government will adjust the current credit control system focused on strengthening the competitiveness of core companies before the end of the year in such a way as to ease the excessive concentration of economic power in several business groups.

Rejecting the FKI's recommendation, Choe also reaffirmed the government's earlier position to maintain a retrenchment economic policy.

Anyway, the FKI recommendation for the government's overall policy directions could be described as a "symbolic" gesture aimed at protecting businesses from political intervention, analysts say.

• Foreign Banks' Market Encroachment Eyed

922C0167A Seoul HANGUK KYONGJE SINMUN in Korean 28 May 92 p 5

[Editorial: "Foreign Banks' Market Encroachment Is Our Responsibility"]

[Text] The share of the domestic financial market occupied by the domestic branches of foreign banks is increasing by the day. The total assets of foreign bank branches, which influence operating scale, last year were 5.8 percent of the total domestic bank assets, or 11.8 trillion won, a big increase over the 5.2 percent of 1990. Thanks to brisk business activities, the net income of foreign bank branches also grew continuously. Last year's net profit was 171.8 billion won, rising about 29.7 percent over 1990. In particular, according to the final version of "Phase One Financial Autonomy and Liberalization Plan" published by the Ministry of Finance on 27 March, it is expected that if the A Fund—which corresponds to foreign bank branches' negotiable certificates of deposit (CD) issue limit and capital—increases in amount, the scale of business will grow even more.

In other business activities, such as foreign exchange transactions and opening of letters of credit, the activities of branches of foreign banks are also striking.

There are several reasons foreign bank branches are enjoying such relatively brisk business activities in comparison with domestic banks, but we can say the biggest factor is the domestic banks' shortage of loan funds. Because high economic growth continued for a long time and real interest rates were kept low as a result of high commodity price rises, there have always been plenty of people who wanted to use the money. In contrast, for a number of reasons the loan funds of domestic banks have become very limited: a variety of policy-oriented capital support, bad loans resulting from readjustment of insolvent businesses in the field of construction and maritime transport in the early 1980's, and capital support to prop up the stock market in 1989. The truth of the matter is that when businesses are unable to secure the necessary amount of capital when it is needed, since it involves the very survival of their businesses, they have no choice but to resort to foreign bank branches, even though their loan interest rates are high.

We can list interest rate controls as another factor. It is a well known fact that domestic interest rate levels are high compared with rates overseas, but real interest rates, which discount the rise in commodity costs, are regulated at a low level and manifest chronic excess demand in capital supply. As a result, numerous market distortions occur. With this kind of background, it has become possible to have various kinds of irregularities and

expedients such as banks' demanding borrowers' participation in instalment savings or loan underwriting, and other compensating balance methods called "plucking" or requests for bonuses for providing the loan, called "money off the top."

So as a result of the insufficient capital capability and continuing interest controls, the stark fact is that domestic banks—lacking the ability to improve operations to improve services for the customers, develop new products, and raise productivity—are nonchalant with the situation, giving the pretext that this is the customary practice.

Nowadays, however, because of the Uruguay Round agreement and U.S. pressures, the opening of the domestic financial market has become unavoidable, and to survive in the competition with foreign financial institutions we have no choice but to quickly set up measures to deal with it. To summarize the methods that have been discussed, one is liberalization of interest rates and another is innovations in operations through training talented personnel, reduced management, and development of new products. In advance of the opening of the financial market, the importance of such responses is even more urgent. Such programs are common sense things that everyone sympathizes with and have long been recommended. Consequently, what must now be discussed are the following several points about about why we are unable to set up an improvement plan swiftly.

More than anything else, it is because of the stubborn resistance from vested interest groups that are making profits under the existing financial system. First of all we can point out the Ministry of Finance which, in order to achieve various kinds of policy objectives, has abused its administrative regulatory powers. Financial institutions including banks must have a certain public responsibility, but if government intervention becomes too frequent, market distortions occur and this gives rise to much greater dysfunctions in the economy as a whole. Also, it is not clear whether indeed policy objectives to be achieved through government intervention in the financial market help the economy as a whole or not and in many cases the policy decisions are not agreed upon through public discussion. A typical example is the measures taken by the government to prop up the stock market in late 1989.

Big business groups that get the preponderance of massive bank loans are another important interested party. It is true that big business groups have contributed greatly to our economic growth, but their excessive external expansionist operating strategy and insolvent financial structure are basic reasons for their weakened international competitiveness. Therefore, we must have stable economic growth so as to eliminate as quickly as possible the perception that if prices go up, bank debts are automatically paid off.

Political circles, which come under suspicion every time there is a massive bank loan, cannot escape responsibility for the backwardness of the domestic financial industry. Applying political pressure with respect to loans or personnel matters exists to some extent in foreign countries, too, but in our case political circles intervene too frequently and too forcefully and this has become a chronic problem.

Of course, the appointed officers of domestic financial institutions bear a great responsibility as well. Some employees take advantage of the irrational environment and commit all variety of irregularities in pursuit of personal gain and lose the trust of the consumers. Also, because personnel appointments that are not fair are a fast way to destroy the organization, fair appointments made on the basis of ability are above all urgent. Only by so doing will it be possible over the long term to achieve the training of talented personnel, the development of new products, investments in computerization, and increases in productivity.

In order to take on a certain public responsibility and, at the same time, compete with foreign financial institutions, which put the emphasis on profitability by cool-headed calculation, it is absolutely necessary to have a bold readjustment and awakening on the part of interested parties that are attached to vested interests.

*Reporters Attacked for Allegedly Biased Reports

922C0169A Seoul CHUGAN CHOSON in Korean
31 May 92 pp 24-29

[By reporter U Chong-chang: "Political Reporters' 'Inhospitable World'—Bickering over Biased Coverage of Particular Politicians, Even Making Embarrassing Scenes"]

[Text] These days, political reporters—in particular those assigned to the ruling Democratic Liberal Party [DLP]—lament that they are living in an "inhospitable world." With the legacy of compassion between juniors and seniors fading away, they would be seen arguing, often raising voices against one another, over their newspaper printing too much or too little news about some politicians, creating embarrassing scenes. Before they say anything at all, they must think twice, because what they say could label them as "YS [Kim Yong-sam] scholarship student" or "Yi Chong-chan Man" without their knowing it.

It happened in a restaurant at Kwanghwa Gate, Seoul, at 2100 on 12 May. Five political reporters of a certain morning paper were having their supper. They were working for the same paper but on different assignments. Three were assigned to DLP top leaders—YS, Kim Chong-pil and Yi Chong-chan respectively, while two covered opposition leaders—Yi Ki-taek of the Democratic Party [DP] and Chong Chu-yong of the Unification National Party [UNP].

Main topics at the table were private things like their families and children's education and they were in a very harmonious mood until one of them, whose assignment was Mr A, a candidate in the DLP race for presidential candidate, remarked almost casually that "Candidate A is having a press conference tomorrow...." A veteran reporter in the group asked, "Did you report it to the desk?"

The first reporter said, bluntly, "I know that they would not print it if it is about Candidate A. So, what is the use of reporting it to the desk in the first place?" Then, the veteran reporter, raising his voice a bit, countered reprovingly: "They may or may not print it, depending on the merit. Why do you take such a negative stance?" "No, I do not," retorted the first reporter. "As you know, only Candidate B is treated to top news every day. That is why," he said.

An heated exchange followed. While it was going on between the two, others looked on, seemingly embarrassed. A third reporter covering Candidate B, who unexpectedly found himself under fire, remained a listener, saying nothing. As conversations moved on to other tidbits, however, the air cooled down quickly.

This is the kind of scene that take place frequently these days, with political reporters for the same newspaper engaging in a verbal war over printed news, looking black with anger in some cases. If they occurred between reporters covering the government party and those assigned to the opposition, it could very well be viewed as reflecting a basic difference of opinion. Or, if the quarrel were part of a struggle for accurate and fair reporting, it might be a desirable phenomenon for the sake of the nation's political development.

Neither is the case with the current antagonism and wrangling among political reporters, however. Ruling-opposition conflicts have nothing to do with it. Reporters assigned to the DLP are divided into the YS camp and the Yi Chong-chan camp. They would bicker over how much news is printed for this side or that. They complain that the newspaper prints more about one side and gives the other side the cold shoulder, eventually spawning rumors that Reporter So-and-so is acting as an "adviser" to this or that politician.

This phenomenon is not an isolated one. It is common among all political reporters working for dailies published in Seoul. Reporters themselves usually find it embarrassing. It is, therefore, a prevailing feeling among reporters covering the government party that "with the atmosphere in the DLP press room so foul, we should try to make clear why it is so once and for all." Meanwhile, reporters covering opposition parties remain relatively quiet, perhaps because they have no sensitive political issues to work on now.

Mr Yi so-and-so is a political reporter of a certain morning paper in his ninth year as journalist. He had moved from the city editor's section to the political section five years ago. He was first assigned to the former opposition Democratic Party, covering Sangdo-tong [YS' residence], then to the DLP after the three-party merger that came after YS' change of heart. Never has he found a reporter's life so strenuous, he says.

It is not because of the heavy workload in a political season, he said. Writing news is his job and he has been doing it for five years already. But, never has he agonized so much over how to write his political articles as these days, he noted, suggesting that whenever an article signed by him is printed, backbiting follows.

According to him, it could be over a word or an adjective used in the article. One side would whisper that it is an expression friendly to YS while the other calls it hostile to him. If the complaint came from a reader on the phone, it could be easier to handle—the reporter could always comfort himself thinking that "everyone is entitled to his own opinion." It is unbearable, however, he noted, that the whisperings in fact go on inside the same company and, especially, the same section. "When a reporter gets a piece of information, it is viewed not as a result of news-gathering efforts but as a result of intimacy with a ceratin politician," he added, revealing his agony.

In the case of another Mr Yi, also a political reporter for an evening paper, he began his career covering the former Democratic Justice Party [DJP] when it was founded in the early 1980, carrying on his ruling party assignment even after the DJP became the DLP. In the DJP era and the days following the three-party merger, he had been recognized basically as an objective reporter.

When the presidential race divided the DLP into two camps, YS's and Yi Chong-chan's, this reporter began covering the latter and has since been viewed as "reporter friendly to Yi Chong-chan" by fellow reporters of the YS side. Consequently, he said, no matter how he wrote his news, fellow reporters and even politicians of the YS side would see him only as a reporter hostile to YS. This put him in a situation personally difficult to cope with, he added.

The phenomenon of political reporters being divided into friends and foes is nothing new. We saw it in the days of the former Liberal Party and the Democratic Republican Party, particularly in a political season around a National Assembly or presidential election. At the time of the 1987 presidential election, some political reporters acted as strategists in the race staged by No Tae-u and three Kims [Kim Tae-chung, Kim Yong-sam, Kim Chong-pil], touching off controversies among journalists. As the center stage of the nation's politics shifted from parties to individual politicians, the process resulted in reporter-politician affiliations as well as affiliations among politicians themselves.

Why are those political reporters—who should be impartial observers and objective news writers—taking the side of any particular politicians whom they are assigned to? Why are they even behaving as though they were politicians themselves?

Characterizing the intimate reporter-politician relationship as a natural phenomenon, an eight-year veteran journalist in the political section of an evening paper, said: "A political reporter is just another human being before being a political reporter. It is quite natural that he is influenced by the views of the politician whom he follows closely. News gathering gets difficult unless there is a relationship of trust between the reporter and politician." This journalist confessed that even he sees the behavior of DLP reporters these days—divided into two sides and making cutting remarks against each other—as a bit too much, however.

Another newspaperman of a morning paper, who had been in the city editor's section covering the police until his transfer four months ago to the political section and who is now assigned to YS, said: "After four months of following YS, I have found myself more sympathetic with the YS side's argument than with the Yi Chong-chan side is saying." "When you see it from the city desk's standpoint, however, it poses some problem, of course." "The spirit of criticism is newspaperman's life," he continued, "but political reporters tend to interpret things in a political way and this raises the question of objectivity in what they write."

He said that as a political reporter in the past four months, he has witnessed things that would have been unimaginable to him while in the city editor's section. He said: "When YS held a rally at Chongju in connection with the DLP race for presidential candidate, the male and female M.C.'s produced an awkward atmosphere by overly lauding YS as "our leader." Also, the third speaker for the day was judged to be a failure by reporters. After the rally, some reporters informed the YS campaign staff of their findings and, as a result, the flaws were corrected at the next rally held in Kangwon Province. At a time they should have written in their paper on whatever problems they found, those reporters chose to act as advisers for YS, much less write about their findings."

Reporters assigned to the DLP have volunteered comments on some of the common problems among them.

A political reporter of an evening paper: "A political reporter of a certain evening paper phoned the desk to protest the handling of news about Yi Chong-chan and YS, asking the reasons why the paper prints less on Yi than on YS. It is the desk's inherent prerogative to decide whether to delete a certain line or lines in a specific news item or let them stand, not to mention whether to print the article itself. In the past, it was impossible for a reporter to turn to the desk and make such a protest."

A political reporter of a morning paper: "On the day of the DLP election to pick its presidential candidate, the Yi Chong-chan side informed the press room of Yi's schedule for the day belatedly. The schedule of a politician is normally reported to the press room in the morning. Reporters, sensitive to the press time as they are, need to know the schedule as early as possible. But, that day the Yi side had waited until the last moment on the grounds that a premature leak could trigger interfering maneuvers. Reporters should have protested. Instead, they meekly accepted the Yi side's explanation and made no protest.

Another political reporter of a morning paper: "Reporters—whether covering the YS side or the Yi side—should criticize wherever it should be criticized. But, there is a strong tendency among reporters to refrain from asking questions that politicians could find difficult to answer. Furthermore, for politicians of the side they are assigned to, they would often give them their cue. While the political pages these days seem to be approximately equally divided between YS and Yi, lines critical of Yi can hardly be found in writings about him. It appears that greater attention is being paid to maintaining a physical balance in terms of the amount of news printed than to the need for criticism."

Most of reporters covering the DLP insist that the reporter-politician personal ties are not a negative thing but a necessity in news gathering, and that politicians themselves are responsible for gossips that draw lines between reporters by labeling them as "friend" or "foe" of this or that politician.

Commenting on his personal experience, a morning paper political reporter said: "One day right after the three-party merger, I and two other morning paper reporters and a broadcast reporter happened to have a dinner with a key staff member of the YS side. After eating, we moved to another place for some drinking, where we met a legislator of the DJP faction. He briefly joined the party before leaving the place. When I got to the press room the next day, there was a story going around alleging that 'the YS side got four political reporters over for an anti-DJP press strategy session yesterday.' The rumor originated with the DJP-faction legislator who was in the party the previous night."

The old "YS scholarship student" gossip in our society, an evening paper reporter said, is another case of such rumors spread by politicians. "It was once alleged that some political reporters were receiving 'scholarship money' from YS and in return writing articles favorable for his side. That is the story behind the so-called YS scholarship students. In my view, the source of the rumor was a rival faction in the same party, because that was the group indulged in drawing lines between reporters. In the presence of reporters, people of that faction would comment on their fellow reporters, even identifying them by name and openly accusing them of being close to YS. This led to the coining of the phrase 'YS scholarship student," and soon to a list of 51 'YS scholarship students' reporters circulating among stock brokers. When I saw the list, I strongly felt that it was made with malicious intent, for some on the list even had no personal acquaintance with YS."

According to another reporter of an evening paper, the case of "Hwamok-hoe"—formed by an aide to Pak Tae-chun, DLP supreme committee member, to play a supportive role for Pak—was in fact another example of politicians dividing reporters into separate groups. "Hwamok-hoe was a club of political reporters residing in Hwagok-tong and Mok-tong, Seoul, formed under the sponsorship of a person close to Pak. That person paid all the expenses for the club."

Also responsible for the fact that some reporters appear to be on intimate terms with certain politicians are the politicians themselves, according to political reporters. A morning paper reporter explained: "Politicians would seldom speak candidly in the presence of two or more reporters. When speaking to an intimately close reporter, they would not talk loudly but whisper into his ear. A certain politician, for instance, when speaking to a reporter who happens to be his junior from the same high school, would talk down from the beginning; otherwise, he would use a more polite language no matter how long he has been seeing the reporter. Thus dividing reporters into "friends" and "foes," politicians spawn a sense of alienation among reporters treated as "foes," which in turn kindles gossips of which reporter being on intimate terms with which politicians.

"The same also applies to the opposition DP. At his residence in Tonggyo-tong, DP Chairman Kim Tae-chung has his study in the basement, which he uses for huddles with important persons. A meeting there is regarded as a status symbol for visitors. How many times a reporter was invited there indicates the degree of Kim's trust for him. The reporter seeing Kim there most frequently would be known as one most trusted by him."

The political reporter's life is a tough one. Since they are meeting politicians routinely, it might appear to be a colorful life to outsiders. In fact, it is not. They have to resort to every possible means to get news out of them. Only by reaching levels where reporters can share whispering conversations with politicians can they get scoops and be recognized as sharp reporters. Therefore, it is most important for reporters to build relationships of personal trust with politicians.

To that end, political reporters run about day and night. Their day begins at about 0700 as they stop by the home of the politician they are assigned to, feeling out the day's atmosphere. They have no fixed working hours, because politicians' politicking go on night and day. Their day comes to an end only after they drop in the same politician's residence again at about 2200 and share a few words of conversation. It is not that they get news every time they meet a politician, but they have to pursue the flow of events. Otherwise, they cannot write their articles. Political reporters say that it is only a few times each month that they get to their homes before midnight.

Politicians' responses to published articles are another factor making their life tough. A morning paper reporter said: "When I report to the press room in the morning, I can directly feel the response to what I wrote the previous day. If a politician likes it, I can feel it in the way he shakes my hand." "If he dislikes it, he would not even return my greetings."

In what is common with all media, political reporters are divided roughly into two divisions, one assigned to government offices and the other to political parties, the former covering Chongwadae, the Prime Minister's Office, the Foreign Ministry and other agencies, while some of those assigned to political parties cover the ruling party and others the opposition. Furthermore, in the coverage of the ruling party, individual reporters are assigned to DLP executives, particularly such news makers as Kim Yong-sam, Kim Chong-pil, Pak Tae-chun, Yi Chong-chan, Kim Yun-hwan, Pak Chol-on and Yi Tong-han. Meanwhile, reporters assigned to the opposition cover the DP, UNP, new parties and dissident groups.

A certain political reporter spoke his mind by saying that "the reporter is a migrating bird." He said: "Once his assignment is determined by the company, the reporter must put his life on the line there. It is undeniable indeed that there is the possibility that political reporters who are stuck in one place too long become part of that place and corrupted, like the stagnant water becomes foul; except for a handful, however, most of them are striving to keep their sense of balance."

While political reporters are required to embody the spirit of criticism more than anyone else and to show it in words and in writing, they—at this time of radical change over the nation's next presidency—are anguished and troubled with their job. Such is the plight they are in nowadays.

Brunei, Malaysia & Singapore

Malaysia

Diplomatic Ties Established With Micronesia

BK1607153192 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 16 Jul 92

[Text] According to a statement released by the Ministry of Foreign Affairs, Malaysia and Micronesia have established diplomatic ties at the ambassadorial level today. The opening of diplomatic ties with the Pacific Island nation is based on the mutual desire by the two countries to further strengthen relations and cooperation.

Daily Calls for 'Fair New Order' in World

BK1707034792 Kuala Lumpur BERITA HARIAN in Malay 9 Jul 92 p 8

[Editorial: "The World Needs a Fair New Order, Not an Order That Serves the Developed Countries"]

[Text] The fact that the world does not need a new order because the current UN Charter is adequate is not surprising. Moreover, not only has the new order been determined by developed countries, but it has also become their exclusive right. However, we need to pay attention to this matter because the statement was made by former UN Secretary General Javier Perez de Cuellar who was leading the world body during the Gulf war and at the end of the cold war. As an experienced statesman who once led the body that determines the future of the world, he certainly expressed his views on the basis of his mature knowledge of the international political situation.

Delivering a speech at a Citibank-sponsored leadership course in Kuala Lumpur yesterday, Perez de Cuellar said that the newly proclaimed world order is nothing but a division of powers among big powers. Accidentally, the United States is currently the only superpower. All countries must realize that they need one another to solve current world socioeconomic and political problems. This being the case, the Peruvian statesman added, the UN Charter that fights for universal human rights is capable of serving as a tool to settle problems although many members want it to be reviewed.

Unfortunately, Perez de Cuellar expressed his views after he finished leading the United Nations. Had he made the statement as UN secretary general, it would certainly have had a different impact and we would have been very interested to know the reaction of the developed countries, particularly the United States. Anyway, we feel proud because Perez de Cuellar was courageous enough to express his views although such views have been frequently voiced by many world leaders, including Datuk Sri Dr. Mahathir Mohamed. Even former U.S. attorney general Ramsey Clark has criticized the unequal new world order created by President George Bush.

Following the end of the cold war, the world hoped for a more fair and comprehensive new order covering the political, economic, and social fields. We hoped that a new order would be based on morality, humanity, freedom, and respect for countries, even small ones. However, the hope evaporated when the Bush administration used the new order as a subtle international political tool to dominate the world before embarking on more violent policies and action. The new order has also in fact become a tool for the developed countries, particularly the Group of Seven, to colonize and suppress the developing countries economically. The breakup of the Soviet Union, which downgraded its status as a superpower, has enabled the United States and its allies to do anything they want to realize their interests.

Accordingly, we agree that the world would in fact not need a new order if it merely further widened the gap between the big powers and the small countries. The fate and future of the world cannot be determined by the developed countries, particularly the Group of Seven that now appears to be more powerful than the United Nations. Instead, countries must seek ways to ensure that the United Nations will be stronger and more democratic on the basis of the current charter. Democracy for the world community means the involvement of all countries in international affairs. There should be a system to maintain an international balance. Every country should ensure that there will no longer be economic, political, military, diplomatic, or cultural colonialism in the world. Any new forms of imperialism or hegemonism in the coming years will be a tragedy for mankind. This being the case, we want more statesmen, particularly those from developed countries in addition to Perez de Cuellar and Clark, to come out in unison to counter any forms of colonialism like the one proclaimed by the United States.

Cambodia

Sihanouk Chairs 16 Jul SNC Meeting

BK1607122592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 16 Jul 92

[Text] The meeting of the Supreme National Council [SNC] was held this morning under the chairmanship of the prince head of state and chairman of the SNC. The meeting was attended by representatives of all Cambodian factions who are members of the SNC except for Son Sann and Son Sen.

Also present on that occasion were His Excellency [H.E.] Akashi, special representative of the UN secretary general; representatives of the big five countries; and ambassadors and envoys of various countries attached to the SNC.

Mr. Akashi made a report on new developments of the situation by expressing concern over the cease-fire violations in Siem Reap, Preah Vihear, and Kompong Thom Provinces in which 122-mm mortar shells were fired into an

area near the UNTAC [UN Transitional Authority in Cambodia] office in Kompong Thom Province.

Mr. Akashi expressed regret that the Democratic Kampuchea side had not given any positive response to the second phase of the cease-fire and had withdrawn its representatives from the Mixed Military Working Group [MMWG] without giving any reason until now.

Concerning the aid for rehabilitation and development of Cambodia, Mr. Akashi cited the success of the Tokyo conference as proof of the international community's goodwill and support for the Cambodian people's self-assistance efforts reflecting the Cambodian people's forward drive.

Mr. Akashi stressed that it was inappropriate to oppose or refuse to accept any aid which would benefit the Cambodian people. Any party doing so in the belief that it might get political gains should thoroughly weigh the bad consequences arising from its short-sighted thinking.

To date, Mr. Khieu Samphan, representative of the Khmer Rouge, still opposes the granting of aid as pension pay for teachers, health personnel, and electricity and water works employees.

His Royal Highness [HRH] Prince Norodom Sihanouk made an appeal to all parties calling on them not to use force; to stop violating the cease-fire; and to settle their conflicts through the MMWG, UNTAC, and SNC.

The prince also condemned the firing on the UNTAC planes and helicopters as an unacceptable act.

In conclusion, HRH Prince Norodom Sihanouk, in his capacity as the SNC chairman who has been authorized by the Paris agreement to have the right to make the final decision, declared that it was impossible to wait any longer because the people and country need the aid. Therefore, we should follow Mr. Akashi's proposal concerning the aid for rehabilitation and development of Cambodia.

Further on Meeting

BK1707122992 Phnom Penh SPK in English 1122 GMT 17 Jul 92

[Text] Phnom Penh SPK July 17—The Supreme National Council (SNC) met yesterday morning at the Khemarin Palace under the chairmanship of the president of the SNC, HRH [His Royal Highness] Prince Norodom Sihanouk, and in the presence of the special repesentative of the secretary-general, Mr. Yasushi Akashi, according to UNTAC [UN Transitional Authority in Cambodia] spokesman Eric Falt.

Mr. Akashi began the meeting with a statement on rehabilitation which outlined the economic and social needs of Cambodia and offered a package of aid projects. The proposal was well received by three of the parties who expressed their full support.

The Party of Democratic Kampuchea (PDK), meanwhile, supported the principle to implement most of the proposed projects but voiced concerns over the special rehabilitaion loan from the Asian Development Bank [ADB].

Mr. Akashi regretted that the PDK still expressed reservations, despite his repeated assurances that aid would be made available by UNTAC in an impartial manner. The special representative asserted that the aid was to benefit the Cambodian people, and not any particular faction at the expense of another.

Prince Sihanouk indicated that the SNC could not afford to delay the process of rehabilitation and reconstruction of Cambodia. While he respected the views expressed by the PDK, the prince gave the SNC's official endorsement of the aid package which Mr. Akashi presented.

Concerning the military situation, Mr. Akashi indicated that Phase 2 of the cease-fire was stil progressing despite some cease-fire violations. It was "with a heavy heart," he said, that he must inform the SNC that the National Army of Democratic Kampuchea (NADK) had yet to participate in Phase 2, despite the expressed willingness of many NADK commanders to report to regroupment and cantonment sites. Mr. Akashi also noted the regrettable absence of the NADK from recent Mixed Militay Working Group meetings and the fact that PDK radio, the Voice of the Great National Union Front of Cambodia, was continuing to undermine UNTAC's efforts.

The British ambassador, on behalf of the core group, appealed to the factions not to be confrontational and to allow UNTAC free access throughout the country. Prince Sihanouk regretted that UNTAC aircraft had been attacked and that the safety of UNTAC personnel had been compromised. He urged the factions to cease all military activities.

It was agreed that the SNC would meet next on Thursday, 23 July 1992 at 9:00 a.m.

Khieu Samphan Discusses Foreign Aid

BK1707012392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jul 92

["Excerpts" from the address given by Khieu Samphan at the meeting of the Supreme National Council on 16 July—read by announcer]

[Text] His Excellency Khieu Samphan said: The participation of the delegation of Democratic Kampuchea in the Tokyo meeting should not be regarded as the DK's agreement that aid which will affect interests of other parties and of the Supreme National Council [SNC] can be given to any Cambodian party. He reaffirmed the support of the Party of Democratic Kampuchea [PDK] for a number of projects presented by H.E. Akashi, such as a public works project to repair roads and bridges and so on. In addition, H.E. Khieu Samphan made the following remarks:

The PDK has opposed and will continue to categorically oppose aid provided to sustain the budget or to pay the debt of a party, that is the Phnom Penh party that has refused to hand over power and necessary means to the SNC, which is the unique legitimate body and source of authority in Cambodia. The refusal constitutes a violation of the Paris accord's provision on the SNC role. It is this violation that has throttled the Cambodian peace process. As long as this most important issue has not yet been solved, the SNC cannot to do anything and will not be able to fulfill its heavy task entrusted by the Paris accord. They refuse to delegate power to the SNC in compliance with the accord but they ask the SNC to borrow money from international organizations. Everyone knows that the money is for the Phnom Penh party, which was installed by foreign forces, but the debt will be shouldered by a future elected Cambodian government. Besides, the loan is destined to support the value of the riel currency, which the Vietnamese and the Vietnamese-installed Phnom Penh regime have issued to serve their invasion and occupation of Cambodia thus far.

No Cambodian party has the authority to print bank notes, but the Vietnamese-installed Phnom Penh party has continued to assume economic and financial authority against the spirit and letter of the Paris accord. At present, the Cambodian people, the most unfortunate victims of the situation, do not want the Vietnamese's money. Lately, the people have thrown away the 10, 20, and 50 riel bank notes on roads. All in all, this shows that it is imperative to immediately implement the following two key issues of the Paris accord:

1. Verify the withdrawal of all foreign forces and their non- return.
2. The role of the SNC, which is the unique legitimate body and source of authority in Cambodia.

Khmer Rouge Cease-Fire Violations Reported

BK1607124292 Phnom Penh SPK in English 1056 GMT 16 Jul 92

[Text] Phnom Penh SPK, July 16—The Khmer Rouge have again violated the cease-fire by carrying out attacks on the provincial town of Kompong Thom on 14 July.

Kompong Thom, a central province of Cambodia, 150 km north of Phnom Penh, has been subjected to the Khmer Rouge's attacks in an attempt to extend their controlled areas.

According to Ministry of Defense sources, the Khmer Rouge fired seven rockets of H-107 on the provincial town, destroying a warehouse of the communication office and a number of property.

The sources said one of the rockets was landed near the UNTAC Headquarters in the town.

Four Cambodian warring factions signed the peace accords in Paris last October 1991 to end two decades of civil war in Cambodia.

However, the Khmer Rouge have failed to comply with the accords by refusing to lay down their arms and regroup troops in the UN supervised cantonments.

KR Urged To End Boycott of Peace Process

BK1707110892 Hong Kong AFP in English 1032 GMT 17 Jul 92

[Text] Bangkok, July 7 (AFP)—The U.N. Security Council will meet next week to discuss the Khmer Rouge's [KR] boycott of Cambodia's peace process, the U.N.'s Cambodia chief, Yasushi Akashi, said here Friday.

Speaking to reporters after meetings with Thai leaders, Akashi said the faction's recent demand that the Phnom Penh government be dismantled before it would disarm its forces were not in keeping with the Cambodian peace treaty signed last year in Paris.

The upcoming Security Council discusses on Cambodia are to decide whether the Khmer Rouge should be publicly condemned and sanctions adopted.

The Paris accord, Akashi said, made no reference to "getting rid of or abandoning or abolishing or dismantling any existing administration."

"Dismantling of any of the four administrations is not on the cards," he continued.

The Khmer Rouge were the dominant force in a (word indistinct) tripartite guerrilla coalition which fought the Vietnam-installed Phnom Penh government during the 13-year Cambodia civil war.

All four rival factions had set up administrative structures in areas under their control. Phnom Penh's rule covers some 80 percent of the war-ravaged country.

Meanwhile, Japan has reportedly launched an effort to try to persuade the Khmer Rouge to end the boycott of the peace process.

Sakutaro Tanino, a senior Foreign Ministry official from Tokyo, was meeting Khmer Rouge leaders here Friday in a bid to convince the radical group to comply with the Paris accord, according to reliable sources.

The guerrilla group has refused to go along with the disarmament programme launched early last month by the U.N. Transitional Authority in Cambodia (UNTAC) as long as Phnom Penh's leadership was not dissolved.

(In Tokyo, a Foreign Ministry official said that Tanino was on a visit to Bangkok, but would not confirm the meeting with Khmer Rouge representatives.

(He would only say that such a meeting was "a possibility," adding that Tanino was also travelling to Phnom Penh for talks there).

The Japanese diplomat was believed to be meeting in the Thai capital with the Khmer Rouge's nominal leader,

Khieu Samphan, and the faction's military chief, Son Sen, although this could not be immediately confirmed.

Khieu Samphan and Son Sen are the group's representatives on the Supreme National Council, a reconciliation body formed with officials of all four of Cambodia's rival factions.

Akashi and UNTAC's military chief, Australian Lieutenant-General Sanderson arrived here Friday from Phnom Penh for a four-day visit.

The two immediately went into meetings with Thai Prime Minister Anan Panyarachun, his defence mininster, Banchop Bunnak, and foreign minister, Asa Sarasin.

In an official radio commentary monitored here, Phnom Penh said that "it is time to stop gentle efforts to persuade Pol Pot to soften his stand."

Pol Pot headed the Khmer Rouge during the group's murderous near-four year-rule over Cambodia in the 1970s.

Although Khieu Samphan now officially heads the group, Pol Pot is generally believed to remain its overall leader.

PRC Calls for Peaceful Approach To Conflict

BK1707051092 Phnom Penh SPK in English 0409 GMT 17 Jul 92

[Text] Phnom Penh SPK July 17—China on Thursday [16 July] renewed its call for peaceful negotiation to resolve the Cambodian conflict following the Khmer Rouge's shelling of a provincial capital, reports AFP.

"It is China's consistent view that the Paris agreement should be implemented comprehensively and that specific problems and difficulties arising in that process should be properly resolved through consultations and dialogue," Foreign Ministry Spokesman Wu Jianmin said.

Wu was asked to respond to the latest Khmer Rouge proposal that it carry out a phased disarmament in exchange for the Phnom Penh government's dissolution.

The Marxist faction, traditionally backed by China, signed a peace treaty in October ending the 13-year-old Cambodian civil war, but has refused to go along with United Nations peacekeepers implementing the accord.

The Khmer Rouge has fought Phnom Penh forces in several areas and sent three mortar rounds into the northern provincial capital of Kompong Thom on Tuesday, a UN spokesman said.

During a recent visit made by Cambodia People's Party Chairmam Chea Sim, Chinese Premier Li Peng reportedly told Chea Sim that China would "treat all the parties of Cambodia equally without discrimination" and that China would contact with the four groups represented in Cambodia's Supreme National Council.

Prince Chakkrapong Receives U.S. Envoy Twining

BK1607140492 Phnom Penh SPK in English 1052 GMT 16 Jul 92

[Text] Phnom Penh SPK July 16—Prince Norodom Chakkrapong, deputy prime minister of the State of Cambodia, received in Phnom Penh Tuesday Charles Twining, U.S. special representative to the SNC [Supreme National Council].

Prince Chakkrapong, son of SNC Chairman Prince Norodom Sihanouk, informed the U.S. diplomat of the government open-door policy for foreign companies which intend to invest in tourism, agriculture, industry, and other economic fields in Cambodia.

The prince also expressed thanks to the U.S. Government for its contributions to Cambodia's national reconstruction, especially to the process for a lasting peace in the country.

Charles Twining has been appointed as U.S. special representative to the SNC since November 17, 1991, only three days after SNC Chairman Prince Norodom Sihanouk returned to Phnom Penh from his 13 years living in exile.

CFTU's Men Sam-an Meets U.S. Ambassador

BK1707070792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 9 Jul 92

[Text] On the morning of 8 July at the office of the Cambodian Federation of Trade Unions [CFTU], Mrs. Men Sam-an, member of the Standing Committee of the Cambodian People's Party Central Committee and chairperson of the CFTU, received in audience His Excellency [H.E.] Charles Twining, special representative of the U.S. Embassy in Cambodia. On that occasion, Mrs. Men Sam-an profoundly thanked the U.S. Government for its support and promotion of the search for peace and national reunification in Cambodia and also extolled the U.S. envoy for his efforts in the performance of his mission in the country. Mrs. Men Sam-an also briefed her guest on living conditions and the activities of Cambodian laborers the past.

In his reply, H.E. Charles Twining deeply thanked the State of Cambodia's Government for having created abundant favorable conditions for his mission in the country and also expressed his esteem for the past great achievements of the CFTU. He said the United States would assist the Cambodian laborers and that Cambodia would recover peace in the near future. He added that he would send a working group of the Bangkok-based U.S. Federation of Trade Unions to jointly promote the CFTU's activities in Cambodia where a free market economic system is being implemented to improve the living conditions of the Cambodian workers.

Latest KR Proposal Branded 'Another Stratagem'

BK1707052992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 16 Jul 92

[Station commentary: "Another Stratagem of the Khmer Rouge"]

[Text] Lately, as they have strongly been condemned and bitterly isolated by the international community on account of their intransigence over the implementation of phase two of the cease-fire, the Khmer Rouge have falsely put forward a proposal that their troops will be handed over to the United Nations in four weeks in exchange for the dismantling of the government of the State of Cambodia [SOC]. The Khmer Rouge have shamelessly uttered that they will place 10 percent of their troops under UN control during the first week in exchange for the dissolution of the Ministries of National Defense and National Security; 50 percent during the second and third week for the disbandment of the SOC Ministries of Foreign Affairs, Finance, and Information; and the remaining 40 percent during the fourth week for doing away with the posts of the president, prime minister, and National Assembly speaker as well as other government institutions of the SOC.

Observers say the Khmer Rouge's offer is a delay stratagem to bolster their reasons for rejecting the implementation of the UN peace process in Cambodia. The general public still well remembers that under the Paris 23 October 1991 accord, the United Nations is to place troops from all the parties in cantonments, then demobilize and turn 70 percent of them into civilians. Along with this, the UNTAC [UN Transitional Authority in Cambodia] will directly supervise the five important sectors, including national defense, foreign affairs, finance, public security, and information.

With genuine goodwill to bring about peace for the nation and people, the SOC has sincerely and unremittingly implemented all the aspects of the accord. And so far, the Cambodian People's Armed Forces have regrouped their troops in six UN-supervised cantonments and are prepared to regroup and put the remaining troops under the UNTAC verification. Besides, despite violations repeatedly committed by the Khmer Rouge against positions under its control—resulting in systematic devastation—the SOC side remains patient and does not counterattack. This is to avoid rekindling the flame of war. Anyway, this attitude does not signify the SOC's weakness, and everyone knows that only the SOC forces are effective enough to prevent the return of the genocidal Pol Pot regime. Moreover, although it controls the absolute majority of the territory and has a legitimate structure of administration, the SOC government has always declared [words indistinct] and is prepared to place important sectors which are related to the neutral climate of elections in 1993 under the UNTAC's direct supervision.

International public opinion has highly valued the SOC's gestures and efforts in implementing the UN peace accord. However, the Khmer Rouge, with their unswerving strategic goal of overthrowing the new regime and returning to power to further commit massacres and human right abuses, do not agree. Over the past 13 years, they have not been capable of defeating the SOC with military, political, and economic forces. As such, Pol Pot has concocted and employed peaceful political maneuvers to topple the SOC. As a matter of fact, during the past over eight months, the Polpotist clan has used SNC forums to stymie the process of applying the accord and military force to attack and retake the SOC positions for the purpose of expanding their territories and massing the populace. Worst still, the Polpotist faction has accused UNTAC of siding with the SOC and has ordered its forces to attack the UNTAC offices (?in some provinces) and shoot at UN helicopters on many occasions.

The Cambodian people, who used to experience sufferings and a race-exterminating process under the Pol Pot regime, wish to call on the entire international community not to let the UN peace plan become a hostage of the Polpotist clan and not to let the civil war in Cambodia drag on due to the intransigence of the stubborn Khmer Rouge. Their demands completely contradict the provisions of the Paris accord by which the existing government is to continue its works so as to ensure the people's daily life until the holding of elections for a new government is completed.

We are of the opinion that it is time to stop gentle efforts to persuade Pol Pot to soften his stand. As His Excellency Hun Sen, chairman of the SOC's Council of Ministers, proposed on (?8) July, drastic measures must be used. It is true that the Cambodian people do not want to see the UN peace plan collapse, but neither can they afford to again become the Khmer Rouge's victims.

Chea Sim Ridiculed as 'Puppet President'

BK1707080792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Jul 92

[Text] Why has Chea Sim served as the Yuon [derogatory term for Vietnamese] lackey-puppet president?

The people in Krabau and Teap communes, Kamchay Mea District, Prey Veng Province, ridiculed, laughed at, and were very angry with Salat, currently known as Chea Sim who has been appointed as Phnom Penh puppet president by the Yuon aggressors.

One day after meeting to discuss how to jointly defend their villages and prevent the Yuon aggressors and the puppets—their lackeys—from forcibly recruiting their children to fight and die for the Yuon and their lackeys, the people in Anlung Kreh village of Krabau Commune chatted about this matter. Some people said that the Yuon aggressors appointed Chea Sim as puppet president and lackey because this man serves them better

than Heng Samrin. This man is more fascist than anyone else. During the past four years, Salat, alias Chea Sim, has joined with the Yuon aggressors in bleeding the Cambodian people white. The people in Ponhea Krek District and in the entire province of Prey Veng clearly classified Salat or Chea Sim as a traitor and out-and-out lackey of the Yuon aggressors.

The people said that according to the laws of the national and international tribunals, this fascist, cruel, and cheap traitor Salat or Chea Sim should be sentenced to death. But if Salat, alias Chea Sim, repents his wrongdoing, stops being a traitor and cheap lackey of the Yuon, and turns to join with the Cambodian nation and people in implementing the 23 October 1991 Paris agreement correctly and in its entirety, particularly its two key points, the Cambodian nation and people might forgive him and accept him as an ordinary citizen like all others.

Radio Renews Personal Attack Against Hun Sen

BK1707082392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 Jul 92

[Excerpt from the "News Briefs Feature"]

[Text] People at Toul Roka and Dei Leu Villages, Peam Kroesna Commune, Stoeng Trang District, Kompong Cham Province, are ridiculing a claim by Hun Nan—called Hun Sen—the current prime minister of the Vietnamese traitorous lackey clan in Cambodia, that he lost one eye because he was fighting against the U.S. aggressors. The villagers say Hun Nan—called Hun Sen—was an insolent boy and other kids hated him very much because while playing he behaved very badly and had a foul mouth, insulting people of all age groups. He was also villainously active and stole from any inattentive person, quickly hiding the stolen articles in his shorts. One day, Hun Sen was caught red-handed hiding a scarf stolen from a child under his shorts; then he was beaten on the head, kicked, and shot in the eye with a catapult. This is the reason he is missing one eye today. In Peam Kroesna Commune, Hun Sen is called the one-eyed kid.

By his signature, Hun Nan—called Hun Sen—at the Vietnamese aggressors' behest has allowed some two million Vietnamese aggressors to almost completely plunder the land, houses, property, and cattle of the people for the past 14 years. The people say they have already pronounced a verdict against the kinds of traitors like Hun Nan called Hun Sen.

Pakistani Ambassador to SNC Appointed

BK1607140292 Phnom Penh SPK in English 1049 GMT 16 Jul 92

[Text] Phnom Penh SPK July 16—Pakistan has appointed Major General Riaz Mahmud as its ambassador to the Supreme National Council of Cambodia (SNC).

Pakistan is the 40th country which opens diplomatic mission in Phnom Penh following the setting up of SNC Headquarters last year.

Speaking to Riaz Mahmud during the credentials presentation held here Wednesday, Prince Norodom Sihanouk thanked the Islamic Republic of Pakistan for opening its diplomatic mission in Cambodia. The prince pledged to make favourable conditions for Mahmud to fulfill his mission in Cambodia and for the development of friendship and cooperation between the two countries and peoples.

In reply, Major General Riaz Mahmud said he was confident that under the prince's policy of national reconciliation, the Cambodian people would obtain a real and lasting peace in the near future.

Also present on the occasion were Hor Namhong, foreign minister and SNC member of the State of Cambodia, and Ieng Muli, SNC member of KPNLF [Khmer People's National Liberation Front].

Laos

Article Views Current Thai Political Situation

BK1707092792 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 16 Jul 92

[PASASON feature: "Political Situation in Thailand Following Dissolution of House of Representatives"—date not given]

[Text] Respected listeners. As everyone knows, according to reports by Thai mass media, in particular radios, following the dissolution of the House of Representatives, preparations are now being made in Thailand, in an enthusiastic atmosphere, for the general elections which are scheduled for 13 September this year. In light of this, it is apparent that the political situation in Thailand is now lively, and it is worth following. Various political parties are now hurrying to improve themselves in preparation for the announcement of their policies and selection of candidates to run in the elections. The most important move is that they are making great efforts through different means to gain popularity. Some parties have dissolved themselves and then joined with other parties which they see as maintaining financial potential and power. Some political groups have formed new parties of their own and selected those who have maintained political influence to be their leaders. For example, members of the newly formed Chat Phatthana Party have named General Chatchai Chunhawan, who has just returned to the political scene, as their party leader.

Through the aforementioned change of the situation, it can be said in summary that there are now many political parties which have carried out activities in Thailand at present. Among them is Samakkhi Tham—the party which gained the most votes in the last elections. This party has now been separated into many parts. Though a number of party members are still loyal to the former

leader, they can no longer maintain the former status of their party. It is not certain whether or not this party can exist. As for Athit Urairat, former president of the parliament and former member of the Samakkhi Tham Party, he has reportedly planned to establish a new party. However, he has not yet made any official announcement on this matter. The Chat Thai Party, which has been well known in the past, has lost its role and influence following the withdrawal of its leader—General Sombun Rahong. Nevertheless, this party has now struggled for its survival with the hope of being accepted as one of the parties in the next coalition government. Despite this situation, public opinion is critical of the Chat Thai Party becoming bigger than before. It is well known to all that Gen. Chatchai Chunhawan, former adviser to the Chat Thai Party, has now become leader of the Chat Phatthana Party. As for the New Aspiration Party, its path of advance depends on the decision of General Chawalit Yongchaiyut who, in the past few days, referred to the opposition parties during the government of General Suchinda Khraprayun as parties of the justice side while calling the parties of the coalition government satanic parties.

Nevertheless, in the political arena, the saying of having no true friends or permanent foes remains in effect. This saying has now been frequently noted in the Thai mass media circles. The Democrat Party has now become a popular party. This is because the party leader, Chuan Likphai, displayed his roles in a very appropriate manner throughout the period of political confusion. For this reason, the Democrat Party can be an advantageous party in the next elections. According to recent polls, the Democrat Party has gained the most popularity. As for the Phalang Tham Party, according to public assessment, it can grow bigger and stronger beside the Democrat Party if General Chamlong Simuang should return to serving as leader again and if he should put an end to his idea of coming and doing by himself. With regard to the Social Action Party, displaying a role as party leader, Montri Phongphanit, who is quick to political currents, can possibly continue to maintain the status of the party.

Along with the aforementioned situation, various small political groups are striving to attach themselves to the various political parties so that they can stand in the elections. All these are part of the rousing situation, or it can be called fanfare in the political circles of Thailand in the present. Nevertheless, general public opinion is of the view that in the coming general elections, vote-buying practices will, more or less, be reduced. But the true situation in this regard can be seen only when the elections take place. However, most Thai people have regarded vote buying as a customary practice in the elections.

In addition, some political analysts in Thailand are of the view that in the coming elections, it is possible that more young politicians will be elected to the political arena, while others are of the view that major businessmen themselves will stand for election. This is because the incident that occurred last May, called the Black May incident, has given a considerably distasteful lesson to the people of all strata in Thailand.

Philippines

Board Created To Review Relations With U.S.

HK1707065892 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 17 Jul 92

[News briefing by Presidential Spokesperson Annabel Tecson Abaya in Kalayaan Hall, Malacanang, Manila—live; in English]

[Excerpt] President Fidel V. Ramos today formed a cabinet committee that will review broad Philippine-U.S. relations, including trade policies, defense, and security. The president has set 8 August as the deadline for the committee to submit its report. He also appointed Foreign Affairs Secretary Raul Manglapus to head the committee, with Secretary Rizalina Navarro of DTI [Department of Trade and Industry], NEDA [National Economic Development Authority] Secretary General Ceilito Habito, Secretary Renato de Villa of DND [Department of National Defense], and National Security Adviser Jose Almonte as members. [passage omitted]

PRC Drilling Outside Claimed Spratlys Area

HK1607122092 Hong Kong AFP in English 1216 GMT 16 July 92

[Text] Manila, July 16 (AFP)—The oil drillings in the Spratlys being conducted by China and the U.S. firm, Crestone Energy Corp., are outside of the portion of the island chain claimed by the Philippines, according to Crestone documents released here Thursday.

The documents, sent to Manila's Office of Energy Affairs (OEA) by Denver-based Crestone, showed that the drilling was conducted outside of the 200-mile (320-kilometer) exclusive economic zone claimed by the Philippines.

The documents included a statement from Crestone officials that they had drilled unsuccessfully for oil in the Philippines in the past and were aware of its territorial limits.

China gave approval for Crestone to drill for oil in the Spratlys, a far-flung and strategic chain in the South China Sea, claimed in whole or in part by China, the Philippines, Brunei, Malaysia, Taiwan and Vietnam.

The Crestone documents acknowledged that Vietnam had protested the contract approved by China last June, but did not elaborate.

The government of President Fidel Ramos has not made a public statement on the drillings, but some officials are calling for a protest.

President Ramos Meets With Indonesian Army Chief

HK1707035192 Manila BUSINESS WORLD in English 17 Jul 92 p 12

[Text] Visiting Indonesian National Army (INA) chief-of-staff Gen. Edi Sudradjat and his staff discussed a wide range of security issues with President Ramos, Defense Secretary Renato S. de Villa and Philippine Army chief Lt. Gen. Arturo T. Enrile.

Gen. Sudradjat arrived last Tuesday for a four-day working visit, a few days before the ASEAN Ministerial Meeting next week.

The Army officials brass conducted a briefing for their Indonesian counterparts on the country's peace and order situation and on the modernization program of the Armed Forces.

While sources did not expound on the topics discussed, observers say the talks could include bilateral military cooperation, the Spratlys dispute and other regional security issues.

Ramos Names New Heads of Government Agencies

HK1707103192 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 17 Jul 92

[Text] President Fidel V. Ramos has appointed more heads of government agencies today. Tanny Rodriguez reports:

[Begin recording] The appointments are as follows: Phil Joson as Philippine Overseas Employment Administration administrator; Domingo T. Bautista as administrator for the National Irrigation Administration; Rodrigo Cabrera remains administrator of the National Electrification Administration; Zorayda Amelia Alonzo as acting chairman for the Housing and Urban Development Coordinating Council and chief executive officer of the Home Development Mutual Fund; Robert Anthony P. Palaw remains general manager of the National Housing Authority; Galo Garchitorena as director of the Quedan Guarantee Fund Board; Rogelio Dayan as general manager for the Philippine Ports Authority at the Department of Transportation and Communications; and Oscar Inocentes as member of the Board of Trustees of the Government Service Insurance System. [end recording]

Ramos Approves Reshuffling of 4 Police Officials

HK1707041692 Manila THE CHRONICLE in English 17 Jul 92 p 3

[By Joey Caburnida]

[Text] Police Director General Cesar Nazareno, the Philippine National Police [PNP] chief, yesterday reshuffled four of his top officials earlier touted as possible successors, in what was perceived to be the start of a sweeping top-to-bottom revamp sought by Malacanang to step up its anti-crime drive.

President Ramos, upon the recommendations of Nazareno and Interior and Local Governments Secretary Rafael Alunan III, approved this latest revamp of key PNP officials.

Reshuffled were Police Deputy Director Generals Gerardo Flores and Manuel Roxas, and Police Directors Marino Filart and Pedro Sistoza.

Flores, the outgoing deputy chief for operations, was sent out of Camp Crame to head the Southern Capital Regional Command, replacing Filart.

His new field assignment will have responsibility over the Metro Manila towns of Makati, Pasig, Mandaluyong, Taguig, Pateros, Paranaque, Las Pinas, Muntinlupa, and the cities of Manila and Pasay.

Filart, in turn, got a sensitive post at Camp Crame, replacing Sistoza as PNP Chief of Directorial Staff.

Sistoza took over Roxas' post as North Capital Regional Command chief while Roxas was reassigned to his former post as deputy chief for operations, replacing Flores.

Sistoza will have jurisdiction over the towns of Marikina, San Mateo, Malabon, Navotas, Valenzuela and the cities of Kalookan and Quezon.

In a statement, Nazareno said the revamp was in compliance with Alunan's memorandum to continue with the series of reshuffles of regional, provincial and local police chiefs to improve their performance in combatting crimes, a priority concern of the Ramos administration.

"(It) will inject renewed vigor and fresh perspectives into our anti-criminality campaign," Nazareno said. "This will also round off the professional career of PNP officials in the police service."

But the revamp came at a time when Nazareno was said to be on his way out of the PNP, Camp Crame sources said.

Nazareno, despite his good performance as PNP chief, has now become the target of black propaganda and intrigues reportedly being orchestrated by some quarters at Camp Crame who want him dislodged as PNP chief.

Flores, (PMA [Philippine Military Army] Class '62), Filart (PMA Class '61), Sistoza (PMA Class '60) and Roxas, a policeman who rose from the ranks, were all perceived as either candidates or aspiring for the highest PNP post.

Another low-profile PNP official, Police Deputy Director General Raul Imperial (PMA Class '69), the most senior among the five PNP top brass, is also reportedly being touted as a possible replacement for Nazareno.

The same sources said Filart, also an aspirant for the PNP plum post, returned to base at Camp Crame, though he allegedly campaigned for former Speaker Ramon Mitra Jr. during the May 11 elections.

After his assumption to the presidency, Ramos made his first official visit to military and police camps where he directed Alunan to review the PNP organizational structure and officer deployment, to make it attuned to increasing requirements for police visibility and effectivity in battling crime.

Ramos also asked Alunan and Nazareno to work closely with the newly-formed Presidential Anti-Crime Commission headed by Vice President Estrada.

Support for Zamboanga Communist Rebels Said Down

HK1707081892 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 17 Jul 92

[Text] There is no chance for the communist movement to gain additional strength, especially in the Zamboanga Peninsula. Reports from Camp Aguinaldo and Camp Crame reveal a decrease in the support being received by the rebels.

Brigadier General Romeo Padiernos, Armed Forces of the Philippines Civil Relations Service chief, said the defeat of the Communist Party of the Philippines-New People's Army [NPA] in Zamboanga was due to the lack of financial support, the shift in sympathy by earlier supporters in favor of the government, and the refusal of Zamboanga residents and local businessmen to pay progressive taxes.

Intensified military operations in Zamboanga have also dismantled three NPA groups, resulting in the death of 23 communist rebels, the arrest 15 more, and the surrender of 24 others.

Oriental Communist Rebels Reject Amnesty Offer

HK1707034992 Manila MANILA BULLETIN in English 17 Jul 92 p 19

[By Robert A. Evora]

[Text] Calapan, Oriental Mindoro—The rebel New People's Army (NPA) here rejected yesterday the offer of a general amnesty to leftist rebels by the Ramos administration saying "it is unacceptable to the national democratic movement."

In a press statement to the Oriental Mindoro Media Club (OMMC), the Lucio de Guzman Command of the NPA on Mindoro, said the general amnesty scheme being "cooked up" by the strategists of President Ramos is "tantamount to asking the unconditional surrender of the National Democratic Front [NDF] in the guise of pursuing the road to peace."

The rebel command said that Ramos should drop this "general amnesty formula" but instead come up with a "comprehensive formula toward a lasting peace to match the NDF peace agenda." The NPA statement added that the NDF peace agenda is a "formula that would open new horizons toward a peaceful settlement of this armed conflict."

Military Exposes Communist Monitoring Base Plan

HK1707032792 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 16 Jul 92

[Text] The military has revealed a communist rebel plan to set up a monitoring center in the slums of Tondo, Manila.

The objective of setting up the monitoring center is to allegedly strengthen the weakening urban mass base.

According to General Romeo Padiernos, Armed Forces of the Philippines Civil Relations Service commanding general, the plan was disclosed by the military after confiscating documents from captured rebels in Tondo. Based on the documents, the mass base would serve as the command center to monitor military movements in the city.

Padiernos added many Communist Party of the Philippines-New People's Army members have been mingling with representatives of the legitimate poor sector in Tondo to outline an eight point plan which they hope to realize before the year ends.

Figures Show $1.889 Billion Trade Deficit

HK1707024092 Manila THE CHRONICLE in English 17 Jul 92 p 9

[By Melissa Reyes]

[Text] Philippine imports from January to May this year reached $5.609 billion while exports amounted to $3.729 billion, resulting in a $1.889-billion trade deficit.

The country's trade deficit for May was $383 million, lower by $151 million than the previous month, but the trade gap for January to May widened by $327 million from $1.562 million in 1991 to $1.889 million this year.

Similarly, the value of goods imported during that period rose by $607 million or 12.1% from the same period last year.

The increase in the trade deficit was traced to the importation of mineral fuels, lubricants and related materials which amounted to $152.43 million in May, making it the country's mainstay insofar as being a top import expenditure is concerned.

Other commodities which contributed to the growth in the country's imports were: electronics and components ($126.17 million); transport equipment ($105.07 million); and, base metals ($96.15 million).

However, the National Statistics Office reported a substantial increase in the country's total export receipts during the first five months this year which reached $3.720 billion, higher by $280 million or 8.1% from 1991's $3.440 billion.

In May exports amounted to $799 million. The figure is an increase by $110 million, or 16% compared to May last year.

This performance likewise exceeded the previous month's (April) performance by $139 million or 21.1%.

Hiked shipments of manufactured products led by electronics and components ($169.34 million) and articles of apparel and clothing accessories ($167.51 million) made up the country's increased exports. Both exports account for 42% of the country's total exports.

Other leading exports were: coconut oil ($35.74 million); woodcraft and furniture ($26.04 million); and, ignition wiring set and other wiring sets used in vehicles, aircraft and ships ($20.12 million).

Imports, however, which totalled $1.182 million increased by $198 million or 20.2% over May 1991's level and dipped slightly by $12 million over figures recorded in April 1992.

Imports of transport equipment grew fastest at an annual rate of 170.9% and monthly at 70.1%, so far the fastest among the other imports, beating by a far second machinery and equipment (other than electric) imports which grew at an annual rate of 26.1%.

Meanwhile, the country has been importing less (-25.8% annually and -11.9% monthly) of professional, scientific and controlling instruments; photographic and optical goods, watches and clocks.

Meanwhile, micro-circuits led the country's leading exports of electronics and components growing at an annual rate of 148% and at 773% monthly. [as published]

Thailand

Anan Says Coups 'Unacceptable' to People

BK1607150392 Bangkok Radio Thailand Network in Thai 1200 GMT 16 Jul 92

[Text] Prime Minister Anan Panyarachun asked soldiers to stop thinking about staging coups because a coup is an out-of-date issue and is also considered an act of treason to the nation and monarchy. The prime minister told reporters at Government House this afternoon that a coup is now unacceptable to the people. He also asked people who come out to make any demands to act within the limits of the law.

[Begin recording] [Anan] I think that in the eyes of the people in 1992, the Thai people will not accept another coup or power seizure because it runs counter to the line of thinking of the majority. I also believe that most of the Thai people will consider a coup an act of treason to the nation and the monarchy.

[Unidentified correspondent] They asked for amnesty whenever they staged a coup. [words indistinct] there are still people with such thinking.

[Anan] We should not go to ask them on such questions. I think that the Thai people cannot accept another coup.

[Unidentified correspondent] The Confederation for Democracy still continues its activities. However will the government...

[Anan] [Interrupting] There will be no problem as long as their activities are carried out in line with the laws and in a peaceful manner, just not violating the law. [end recording]

The prime minister declined to answer a question on when there will be a reshuffle for the military leaders. He just gave a smile to the reporters who tried to interview him.

Meanwhile, in an interview with reporters at Government House half an hour ago, Defense Minister General Banchop Bunnak reaffirmed that soldiers would not stage a coup. Regarding someone's request to punish the military leaders for commenting on political affairs, he said that he needed to consider the issue first.

[Begin recording] [Banchop] I have not yet received any request. It was just a news report in newspapers. Or it might have been on TV. I did not have much time to watch TV.

[Unidentiifed correspondent] [words indistinct] If no action is taken, they may come out to protest again.

[Banchop] Let me see first and I will take this into consideration. [end recording]

Generals' Ouster Urged

BK1607005792 Bangkok THE NATION in English 16 Jul 92 p A1

[Excerpt] Thailand's two top military leaders are a threat to democracy and must be removed before the general election, the Confederation for Democracy demanded yesterday.

Breaking its self-imposed silence on the military, the confederation called on Prime Minister Anan Panyarachun to remove Supreme Commander and Air Force chief ACM [Air Chief Marshal] Kaset Rotchananin and Army Commander in Chief Gen Itsaraphong Nunphakdi from office to prevent them carrying out a coup and influencing the outcome of the Sept 13 election. The confederation, which led the May uprising that forced Suchinda Khraprayun to resign as prime minister, also announced contingency plans to deal with any future military intervention in politics.

It said it would call a meeting of students, academics, businessmen, members of the professions and representatives of New Aspiration, Democrat, Phalang Tham and Solidarity parties at the Royal Hotel on Saturday to find ways to oppose any coup. Such measures could include a mass demonstration, it said.

"The confederation calls on the prime minister and the defence minister to remove ACM Kaset and Gen Itsaraphong as soon as possible to make it possible to improve the image of Thailand in the international community, achieve

national reconciliation and prevent a coup," confederation chairman San Hatthirat told a press conference.

On Tuesday, Kaset suggested the military would consider staging another coup if election results put "lousy political parties" into power and triggered further political unrest. He insisted the military would uphold its responsibilities of maintaining peace and order in the face of a threat to national security.

"Kaset's statement contradicts the Anan administration's efforts to accelerate the country's democratization process," said confederation executive member Somsak Kosaisuk. "It shows his disregard for the Constitution which designates political parties as fundamental components in a parliamentary democracy. It also shows his disdain for the rule of law in making the (veiled) threat to stage another coup, a criminal offence punishable by death."

San said the confederation had to break its self-imposed silence and denounce Kaset's threat of a coup because it realized "certain dictatorial military leaders who remained in their powerful positions were unrepentant".

The confederation had made an agreement with Anan, when he was reappointed as prime minister in June, to refrain from applying pressure on the government to take punitive action against military leaders widely held responsible for the May 17-20 bloodshed, San said.

Asked whether he expected Anan to meet the confederation's demand, he said: "I am confident that the prime minister and the defence minister will remove them (Kaset and Itsaraphong) before the election because the additional public pressure will only lend more weight to what the prime minister will have to do." [passage omitted]

Kaset Backpedals on Coup Remark

BK1707004392 Bangkok BANGKOK POST in English 17 Jul 92 p 1

[Text] Supreme Commander Kaset Rotchananin yesterday attempted to soften public backlash against his coup statement, saying he did not mean it to sound the way it was quoted.

Talking to reporters from a Phumiphon Hospital bed while leading Air Force staff in donating blood to the hospital's mobile medical units, ACM [Air Chief Marshal] Kaset claimed a disparity between the intention of his statement and what was published in the newspapers. "The mass media must help because I did not think that way when I gave the interview," he said.

He did not, however, elaborate on what he had in mind when he made the coup statement, saying he will never again comment on the issue.

ACM Kaset's controversial statement was made on Tuesday in response to reporters' questions about a circular issued by Permanent Secretary for Defence Wanchai Ruangtrakun to the rank and file in the military, urging them not to stage a coup and to help restore the honour and image of the Armed Forces. Although ACM Kaset then stated that soldiers had no intention of seizing power again, he did not rule out the possibility of another coup.

"If the country faces an emergency or something catastrophic happens, which institution will rise to the task? No one but the military. There are many ways of solving the country's problems. Parliament is one way. But if other ways fail, the last resort would be for the military to step in. How can we sit idle and see the country collapse? We have always realised what a soldier's role is. I can assure you that the Army, the Navy and the Air Force understand well what Gen Wanchai said," ACM Kaset was quoted as saying.

Asked if he meant that a coup was possible after the election if the political situation remains shaky, ACM Kaset said he did not think so. However, he added: "We have to see if the formation of the Government (after the elections) is carried out properly or whether there is an opposition to it like the one against Gen Suchinda (Khraprayun). If everything goes without problems, soldiers will not interfere."

Questioned yesterday about the strong public reaction to his statement, ACM Kaset replied:

"Not again. You'd better ask me about the project to honour Her Majesty the Queen (on her 60th birthday anniversary)."

Emphasising that he will not comment on the issue, ACM Kaset insisted that what he had said is clear.

"You should have the judgment to know what I actually said and if my comments have affected any person. I am not going to say anything. In fact, the reporters should be able to answer all the questions on my behalf," ACM Kaset said. He repeated that the military will be neutral in the election and soldiers and their families will have full freedom in voting without any interference from their commanders.

ACM Kaset refused to comment when asked about personal relations between certain military commanders and political parties' leaders which may prevent the military from maintaining its neutrality. He immediately excused himself to return to work.

Sanctions on Khmer Rouge To Affect Businessmen

BK1707005392 Bangkok BANGKOK POST in English 17 Jul 92 p 1

[Text] Thai businessmen trading with the Khmer Rouge could expect to see UN sanctions applied against the group within the next two weeks, Foreign Minister Asa Sarasin warned yesterday. But he said there was still the chance the guerrillas would go along with the United Nations peace plan.

"It is important to know what the Khmer Rouge has planned," he said.

Mr Asa said the Khmer Rouge would never disarm if they felt the UN-supervised election next year would bring an end to their influence. But if they are simply trying to enhance their position in relation to the Phnom Penh regime by delaying disarmament, "then there is a chance to discuss the problem".

Mr Asa believes the Khmer Rouge are trying to enhance their position and have raised legitimate points about Vietnam's continued influence in Cambodia. He said he told Khmer Rouge nominal leader Khieu Samphan and Son Sen Monday that they should drop their demand for the Phnom Penh government to be dismantled at the same time as their own troops are being disarmed.

The Khmer Rouge proposed on July 12 that it would disarm its forces and enter UN-supervised areas within four weeks if the Phnom Penh government, including its parliament, was dismantled.

"The proposal is too much, but we should not ignore it completely," said Mr Asa.

Mr Asa told the guerrillas not to break the accord signed in Paris last October, adding Thailand backed efforts by United Nations Transitional Authority in Cambodia (UNTAC) to take charge of the Cambodian civil administrative structure in areas such as foreign affairs, defence and finance. He said the Cambodian problem was one between the Cambodians themselves and between Cambodians and the United Nations.

The Thai foreign minister is due to meet with UNTAC chief Yasushi Akashi here today to discuss the Khmer Rouge and other developments in Cambodia.

The Japan Information Service said yesterday the Japanese government had donated $3 million to the United Nations Border Relief Operation to help Cambodian refugees in Thai camps. It also plans to contribute another $3 million through other international organisations.

3 Hmongs With U.S. Passports May Be Deported

BK1707010392 Bangkok THE NATION in English 17 Jul 92 p A3

[Text] Thailand is considering deporting three of the seven hilltribe Laotians—those holding American passports—who were arrested on suspicion of being remnant members of the anti-Pathet Lao resistance.

The seven Hmongs were arrested early Saturday morning in three simultaneous police raids at two hotels in Bangkok and a residence compound in Chiang Khan district of northern Loei Province, according to Thai government officials.

Three out of four of the Hmongs arrested in a Bangkok hotel were found to be naturalized American citizens holding US passports, said the officials. The group was found to possess two or three walkie-talkies, some instigating anti-government leaflets in both English and Lao and a number of field backpacks. A raid at another Bangkok hotel failed to capture any suspects.

In Chiang Khan, police arrested three Hmong suspects in possession of one walkie-talkie. Two of them, identified as Ye Kheu, 24, and Su Jeu, 17, were found to be refugees from Baan Vinai Camp in Loei's Pak Chom district, while Lue Wang, 36, was holding a US official travelling document issued by the Department of Justice's Immigration and Naturalization Service, according to Chiang Khan police and immigration officers.

The officers said the two refugees were charged with violating official orders to stay within the camp's periphery, fined and sent back to the camp on Monday. Lue Wang will be charged with possessing communications equipment without authorization, and will have to stand trial in Loei provincial court, they said.

The US Embassy in Bangkok confirmed yesterday that three of the four Hmongs arrested in Bangkok were holding American passports. The US Embassy spokesman said none of those arrested in Loei were American citizens.

The spokesman added that the US citizen service section of the embassy's consular section is contacting Thai authorities to determine the charges against the three.

Gen Charan Kunlawanit, secretary-general of the National Security Council, said early this week that Thai police had last Saturday arrested seven Laotian hilltribe people holding US passports on suspicions of being remnants of the anti-Pathet Lao resistance group.

The arrests were a goodwill gesture to Laos showing Thailand's sincerity in helping suppress anti-Vientiane dissident activities, said Charan.

Thai government officials said yesterday that senior police officers and other concerned authorities are considering deporting the three Hmong naturalized US citizens, as the nature of the issue could complicate bilateral Thai-US relations.

The officials said Vientiane had not contacted Thailand to ask for the return of the arrested group. The officials added that Thailand had never supported any dissident "clandestine wars" against the governments of its neighbouring countries.

The simultaneous arrests were the first of their kind against suspects of any active resistance groups, they said.

Thailand has often been accused of providing shelter and weapons to the Laotian resistance which was drawn mainly from Hmong ethnic people under the leadership of Gen Wang Pao.

The group was recruited and trained by the US Central Intelligence Agency in the early 1960s to fight communism in Laos before the communists came to power in 1975.

Wang Pao and 30 other of his Hmong followers were charged and sentenced to death in absentia by the present Laotian communist government.

Chiang Khan police and immigration officers said the arrest of the three Hmongs came after a Police Department order calling for the raid of a suspected house in Chiang Khan district.

One walkie-talkie was found in the house, they said. The officers said the arrest of the Laotian resistance suspects was the first ever in the province.

Vietnam

Foreign Minister Urges Regional Talks on Spratlys

BK1707121292 Hong Kong AFP in English 1157 GMT 17 Jul 92

[By Andrew Sherry]

[Text] Hanoi, July 17 (AFP)—Vietnam wants to settle the Spratlys Islands dispute through peaceful negotiations with regional countries, Vietnamese Foreign Minister Nguyen Manh Cam said Friday.

"Since this concerns the countries of the region, then it should be settled by the countries of the region," Cam told AFP.

"Whether the negotiations are bilateral or multilateral depends on the wishes of these countries, as long as it leads to a solution through peaceful negotiations," he said.

China on Thursday also pledged to resolve the issue through peaceful negotiations but stressed that the talks should be bilateral rather than in the form of a mulna-tional conference.

But the idea of multilateral talks appears to be gaining momentum in the Association of Southeast Asian Nations (ASEAN), with Philippine President Fidel Ramos saying he favored a U.N.-sponsored international conference and joint economic exploitation of the islands.

Vietnam, China, the Philippines, Malaysia, Brunei and Taiwan claim part or all of the Spratlys, making the archipelago in the South China Sea a potential flashpoint for regional conflict.

The archipelago of more than 90 islets and shoals, which sprawls across strategic sea lanes, is believed likely to sit atop substantial mineral wealth.

Tension in the South China Sea has grown since February, when China's parliament passed a law reaffirming Chinese sovereignty over the Spratly and Paracel islands and reserving the right to use force to defend them.

Since then, Chinese troops have occupied an eighth island and planted a sovereignty marker on a ninth, according to Hanoi.

Hanoi reacted most strongly, however, when China leased an oil exploration concession between the Spratlys and the Vietnamese coast in May to a U.S. company, Crestone Energy Corp.

"The zone is on Vietnam's continental shelf outside the Spratly archipelago," Cam said, describing the contract as "a danger to regional stability."

"We do not understand why this event happened at a time when the normalization process between Vietnam and China was developing."

Cam said Hanoi wanted to honor the agreement, made when the two countries normalized relations in November 1991, to settle all "historical disputes" through peaceful negotiations and to refrain in the meantime from doing anything to complicate the situation.

"We are ready to negotiate with China to resolve the differences concerning borders, territory and the Eastern Sea," Cam said, using Vietnam's term for the South China Sea.

PRC Seen Willing To Negotiate

BK1707125392 Hanoi Voice of Vietnam in English 1000 GMT 17 Jul 92

[Text] Philippine President Fidel Ramos said he supports a UN-sponsored international conference to solve the question of sovereignty over the disputed Spratly archipelago. On Thursday he told foreign journalists in Manila that his government would like to have a peaceful solution to the dispute.

Earlier, a spokesman for the Chinese Foreign Ministry said in Beijing that China is ready to seek a settlement of the problem through bilateral negotiations and it opposes the internationalization of this issue.

The spokesman added that China is prepared to negotiate with Vietnam, which also claims sovereignty over these islands.

Khmer Rouge's Uncooperative Attitude Denounced

BK1707052192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Jul 92

[Commentary by station correspondent Tieu Lien]

[Text] Those who have closely monitored the Cambodian issue once again feel disappointed with the Khmer Rouge's attitude at the recent Supreme National Council [SNC] of Cambodia meeting in Phnom Penh. Khieu Samphan, representing the Khmer Rouge faction, stubbornly demanded that only when the Phnom Penh government is dissolved and all Vietnamese troops are withdrawn from Cambodia will his faction participate in the second phase of the cease-fire in Cambodia. This irrational demand has prompted public suspicion as to whether the Khmer Rouge is planning a comeback when they demand a reversal of the Cambodian peace process.

According to the peace process, during the transition period leading up to the general elections, there will be three organizations of authority in Cambodia, namely the SNC, a representative body of Cambodia at the United Nations; the existing administration in Cambodia which is to continue its activities to ensure the normal running of the people's daily life; and the UN Transitional Authority in Cambodia [UNTAC]. As a result, the existence of the Phnom Penh government at present is in conformity with the Paris accord on Cambodia. Moreover, the world has recognized the existence of this government over the past decade and more by extending diplomatic, economic, technical, and cultural cooperation as well as humanitarian aid to the Phnom Penh government. In addition, the administrative machinery under the Phnom Penh government's management has extended to villages and hamlets throughout the country, thereby effectively helping the Cambodian people to restore normalcy to their daily lives.

Regarding the Khmer Rouge's second demand for the withdrawal of all Vietnamese troops from Cambodia, the Vietnamese side on many occasions announced that since 26 September 1989, Vietnam has had no military units whatsoever on Cambodian territory.

Article 6 of the Paris accord on Cambodia stipulated that information must be presented to UNTAC on military forces of foreign countries still present in Cambodia at the signing of this accord on 23 October 1991. In this respect, Vietnam need not respond to this article. However, with its attitude of goodwill, Vietnam has provided UNTAC with all documents concerning various phases of the Vietnamese troop withdrawal from Cambodia, including the latest one in September 1989 which was witnessed by a large group of foreign diplomats, observers, and journalists. UNTAC highly appreciated this act of Vietnam.

Since the first phase of the cease-fire, French General Michel Loridon, commander of the UN Advance Mission in Cambodia [UNAMIC], remarked that he had no evidence of the presence of Vietnamese troops in Cambodia. During his visit to Phnom Penh in March, U.S. Assistant Secretary of State Richard Solomon said: A number of people have closely coordinated with the United Nations on this issue—meaning the presence of Vietnamese troops in Cambodia—but they could not provide any solid proof. Prince Sihanouk, chairman of the SNC, on many occasions, said that there were no grounds whatsoever to confirm that there are still Vietnamese troops in Cambodia.

Mr. Akashi, representative of UNTAC, in his statement to foreign journalists, rejected the allegation that Vietnamese troops are still present in Cambodia. Moreover, faced with the Khmer Rouge's continued pressure, he declared at a 26 May news conference in Phnom Penh that he would ask representatives of the four Cambodian factions to send their observers to verification points at the border areas if they desire, or to establish mobile units to travel to all localities throughout Cambodia to verify the presence of foreign troops in the country. He also asked the Cambodian factions to provide all information concerning the presence of foreign or Vietnamese troops in Cambodia up to the present. UNTAC pledged that it will carefully study the information, provided that it is well-grounded. However, according to Mr. Akashi, up to now UNTAC has received no such information.

As a result, the Khmer Rouge's demands for the dissolution of the Phnom Penh government and the withdrawal of all Vietnamese troops from Cambodia are just an excuse for them to carry out sabotage activities against the peace process in Cambodia. Furthermore, their clandestine radio broadcasting station recently spread news that the Khmer Rouge is ready to return to power if the Phnom Penh government cannot continue to function. While carrying out their propaganda activities and making allegations, the Khmer Rouge have continued to violate the cease-fire agreement, and have launched attacks on and occupied many positions of the Cambodian People's Army [CPA] and establishments under the management of the people's administration of the State of Cambodia, thereby causing more suffering to the Cambodian people.

On 14 July, the Ministry of National Defense of the State of Cambodia issued a statement denouncing certain cases of violations made by the Khmer Rouge, including their attacks on densely populated areas and positions of the CPA in Kratie and Kompong Thom Provinces, killing many people, kidnapping many others, and causing disruption there. These attacks were recently described by UNTAC as one of the most serious violations of the cease-fire over the past weeks. The public has expressed deep concern over the implementation of the peace process in Cambodia. They demand that the United Nations take serious measures to ensure the implementation of the accord.

The political statement of the G-7 summit conference, which was held recently in Munich, Germany, stated: We have seriously monitored the situation in Cambodia and want to urge all parties concerned to support UNTAC and help the fragile peace process in Cambodia to reach its final goal.

Former CIA director William Colby and James Stones, chairman of the U.S. scientists group, said recently that general elections in Cambodia may be organized according to schedule, that results will be varied but that the SNC will represent more than 80 percent of the population, and that the Phnom Penh government will be legalized under any constitution. Mr. Colby and Mr. Stones also pointed out that the exclusion of the Khmer Rouge in the general elections—if warranted—could be considered a success rather than a failure of the UN Security Council, and that this achievement will be supported and welcomed by friends of Cambodia.

Le Quang Dao Receives Suharto Envoy 16 Jul

BK1607150992 Hanoi VNA in English 1500 GMT 16 Jul 92

[Text] Hanoi VNA July 16—Chairman of the National Assembly Le Quang Dao received here this morning a special envoy of the Indonesian president, Mr. Suparjo Rustam.

Guest and host expressed their satisfaction at the constant development of the traditional friendship between Vietnam and Indonesia, and their hope to see it further develop in the years to come for the sake of the two peoples, and for peace, stability and cooperation in Southeast Asia and the rest of the world.

Also this morning, Mr. Rustam, who is also minister-coordinator for public welfare of indonesia, met with Foreign Minister Nguyen Manh Cam, they discussed international and regional issues of common concern and measures to further strengthen the friendship and cooperation between the two countries.

Indonesian Ambassador to Vietnam Juwana took part in the above-said activities of Mr. Rustam, who left here this afternoon concluding a short visit to Vietnam.

Ties Established With Armenia, Tajikistan

BK1607144592 Hanoi VNA in English 1353 GMT 16 Jul 92

[Text] Hanoi VNA July 16—Vietnam has signed protocols on establishing diplomatic relations with Armenia and Tajikistan.

The protocols were signed seperately in Moscow on July 14 by Ho Huan Nghiem, Vietnamese ambassador to Russia, and F. Manikoniann Armenian plenipotentiary to Russia, and S.K. Nasredinov, permanent representative of Tajikistan to Moscow.

Nguyen Duc Binh Receives JCP Representative

BK1507154592 Hanoi VNA in English 1519 GMT 15 Jul 92

[Text] Hanoi VNA July 15—Nguyen Duc Binh, member of the Political Bureau and secretary of the Communist Party Central Committee, today received Yatsushi Kitani, representative of the Japanese Communist Party [JCP] in Vietnam, on the occasion of the 70th anniversary of the JCP on July 15.

At the reception, Nguyen Duc Binh praised the JCP's indomitable tradition of struggle in the past 70 years, holding high the revolutionary banner, and going in the van of the Japanese people's struggle against imperialism, monopoly capitalism, and for a Japan in independence, peace, prosperity, and for a peaceful nuclear-free world, and for solidarity and friendship among nations. He thanked the JCP, the democratic forces and the people of Japan as a whole for their support and solidarity they had extended for the Vietnamese party and people's struggle for national independence, construction and defence.

For his part, Yatsushi Kitani expressed his pleasure at the continual consolidation and development of the friendship and solidarity between the two parties in the past years.

He spoke highly of the achievements recorded by the party and people of Vietnam in the current process of renovation, and wished the Vietnamese people, under the leadership of the CPV [Communist Party of Vietnam], more successes in national construction and defence.

This evening, the JCP representative gave a film show and a reception in honor of the anniversary.

Prominent among his Vietnamese guests was Hong Ha, secretary of the party Central Committee and head of its External Relations Commission.

Border Delegation Received by Lao Leaders

BK1507151192 Hanoi VNA in English 1457 GMT 15 Jul 92

[Text] Hanoi VNA July 15—Lao's Vice-Premier and Minister of Foreign Affairs Phoun Sipaseut received in Vientiane on July 13 a Vietnamese border delegation led by Le Minh Nghia, head of the border committee under the Council of Ministers.

Le Minh Nghia and his Lao counterpart, Soulivong Phasitthidet, held talks, during which the two sides informed each other about the results of the implementation of the border agreement between the two countries, and some outstanding issues which need to be settled.

Vice-Chairman Phoun Sipaseut welcomed the results of the talks as great contributions to the strengthening of the friendship between the governments and peoples.

Army Paper Quoted on Relations With Laos

BK1707065792 Hanoi VNA in English 0610 GMT 17 Jul 92

[Text] Hanoi VNA July 17—In the present situation of the world especially in Southeast Asia, the friendship and solidarity between Vietnam and Laos assumes special importance and an ever greater significance, says QUAN DOI NHAN DAN in an editorial marking the 15th anniversary of the signing of the Treaty of Friendship and Cooperation and the Treaty on the Delineation of the National Border between Vietnam and Laos. These treaties, the paper says, are legel documents serving as firm foundations for the solidarity, friendship and cooperation between Vietnam and Laos in the

interests of the two people and for peace, stability in Southeast Asia and the rest of the world.

The paper continues: Within a short period of time, the delineation and the planting of markets on the 2,000 km-Vietnamese-Lao border was completed, thus creating favourable conditions for the two peoples to build a lasting border of friendship. "Vietnamese cadres and workers have worked shoulder to shoulder with the Lao brothers in all fields of activity, industry, agriculture, communication and transport, water control, post, healthcare, culture...to continually strengthen the friendship between the two countries. For their part, the Lao party, state and people granted Vietnam strongly support and valuable assistance in many fields".

The paper recalls the recent Laos visit by the Vietnamese Government delegation led by Premier Vo Van Kiet during which many documents of cooperation were signed and concrete programmes worked out to further develop the all-sided cooperation between Vietnam and Laos in furtherance of the tradition of friendship and solidarity between the two nations.

More Voluntary Repatriates Return From Hong Kong

BK1507134792 Hanoi Voice of Vietnam in English 1000 GMT 15 Jul 92

[Text] A group of 240 Vietnamese returned to Vietnam from Hong Kong Tuesday according to the UN program on the voluntary repatriation. This is the 111th group of Vietnamese voluntary repatriates, bringing the total number of Vietnamese repatriates to 19,800.

National Assembly Election Preparations Reported

BK1607154592 Hanoi VNA in English 1516 GMT 16 Jul 92

[Text] Hanoi VNA July 16—Preparations for the National Assembly elections on July 19 of 395 from 601 candidates have almost completed.

The number of deputies to the coming 9th National Assembly is 101 less than the previous assembly.

Of the list of 601 candidates made public by the Electoral Council, there are two independent candidates, one hundred and nineteen are deputies of the 8th National Assembly (some 20 percent) 103 of ethnic minority origins (17 pecent), 24 farmers (4 percent), 8 workers (1.3 percent) and 133 women (22.1 percent). There are 297 candidates who have university degrees (48.2 percent). Including 35 associate doctors, doctors and professors.

In comparison with the composition of the candidates of the 8th National Assembly, there are more candidates who have higher education, and less candidates who are workers and farmers.

Meetings between candidates and voters have been held in all districts in even in the remote islands of Truong Sa. The province of Ha Nam has managed to complete all preliminary steps long before the deadline, for this it was recommended by National Assembly Chairman Le Quang Dao during a recent inspection tour.

The authorities in Ha Bac Province are trying to finish several other jobs at hand, which they believe will give an impetus to voting, one is the allocation of land for long-term use by farmers.

The campaign in Haiphong is marked by an active presence of the confederation of labour, all the top officials of the local chapter are involved in one electoral activity or another, and the aim is to ensure the turnout of all factory workers and office employees.

In Hanoi, all the candidates, among them General Secretary Do Muoi, have met with their voters, the party leader gave his word to always keep in touch with the population.

The chairman of the office of the National Assembly and the State Council, Mr. Vu Mao, called a press conference here this afternoon on the preparations of the elections in the presence of a great number of Vietnamese and foreign mass media workers.

Vo Van Kiet at Socioeconomic Development Meeting

BK1607142992 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 12 Jul 92

[Report on Council of Ministers Chairman Vo Van Kiet's participation in a socioeconomic development conference in the district capital of Long Xuyen on 10 July]

[Summary] "On 10 July, Council of Ministers Chairman Vo Van Kiet attended a conference convened by the Long Xuyen Quadrangle Socioeconomic Development Steering Committee in the district capital of Long Xuyen, An Giang Province, to assess the implementation of the socioeconomic development strategy for the Long Xuyen Quadrangle in the past years and discuss the development orientations for the years ahead.

"Also attending were the comrades leading officials of the An Giang and Kien Giang provincial party committees and people's committees, as well as representatives of the ministries and sectors concerned."

The Long Xuyen Quadrangle covers 500,000 hectares of land and has a population of 1.3 million people. "Since 1988, the local socioeconomic development program has yielded concrete results. Production has been rising, especially in agriculture. The paddy yield for 1992 is expected to reach 1.36 million tonnes, an increase of nearly 900,000 tonnes compared to 1987. The hectarage for vegetables, subsidiary food crops, and short-term industrial crops has also been expanded. Over the past years, the state has made important investments worth more than 13.5 billion dong in the various farmland irrigation projects. As a result, there is sufficient irrigation water for 110,000 hectares of land and peasants now can shift from a one- to a two-crop system

both for the winter-spring and summer-fall rice crops. In addition, more than 16,000 hectares of wasteland have been reclaimed and put under rice planting and afforestation."

"The conference thoroughly evaluated the strategic role of the Long Xuyen Quadrangle in the overall socioeconomic development strategy for the Dong Thap Muoi area and unanimously concurred with the objectives and measures to develop this area a step further during the 1991-95 period."

"In expressing his views to the conference, Chairman Vo Van Kiet warmly commended An Giang and Kien Giang Provinces, as well as all sectors and echelons concerned for having turned the Long Xuyen Quadrangle into an economically strong area in a relatively short time and for having combined economic development with national defense and security arrangements. These results testify to the fact that we are fully capable of turning this acid, saline quadrangle into a rich region. These achievements also open new prospects for the implementation of similar development projects to benefit other areas in Dong Thap Muoi and the Mekong River Delta.

"Chairman Vo Van Kiet raised the need to clearly define steps and objectives to be reached in the years ahead. He said: Based on a thorough understanding of the significance and strategic importance of this area, we must renovate our thinking and workstyle so as to be able to formulate socioeconomic development strategies and combine them with national defense and security arrangements, bearing in mind the need to follow concrete steps and plans aimed at making our primary objectives come true, namely making the people rich and building increasingly firm, powerful national defense capabilities.

"As a primary objective, localities and sectors must help the people settle down and boost production, and henceforth build a firm defense network. The local armed forces are part of the population. Therefore, it is necessary to create conditions for them to establish a firm foothold here. The Fourth Division of the Ninth Military Region is a good model in this domain.

"On the economic front, it is necessary to firmly grasp the relation between agriculture and forestry. As far as this region is concerned, forestry and agriculture are of equal importance. Along with making good use of land under the two-crop cultivation pattern, which is sure to bring about fine results, and with investing in the application of a one- to a two-crop system, measures must be taken to exploit the remaining hectarage unsuitable for rice cultivation by putting it under cajuput and eucalyptus planting.

"Chairman Vo Van Kiet instructed the ministries and sectors concerned at the central level to join hands with the steering committee to study and resolve problems on investment capital, the formulation of concrete development projects, and the allotment of land to the various units for management or utilization. This is aimed at turning the Long Xuyen Quadrangle into a comprehensively developed zone where economic activities go hand in hand with efforts to consolidate national defense and security at the border area, based on the requirements of the new situation."

On this occasion, Chairman Vo Van Kiet visited the Fourth Division stationed in the Long Xuyen Quadrangle. He was warmly welcomed by Fourth Division Commander Colonel Tien Phong and many cadres and men under his charge. He was briefed on the division's achievements since the end of 1989 in combat training, unit-building, and economic development.

Chairman Vo Van Kiet praised the cadres and soldiers for having outstandingly implemented Uncle Ho's teachings by fulfilling all missions and overcoming all difficulties, thus setting a good model of Army units scoring high results in combining economic development with training and combat alert activities.

"Chairman Vo Van Kiet also contributed suggestions on how the division can effectively participate in production, combine national defense with economic development through the various plans and projects based on concrete orientations, look after the welfare of cadres and combatants, and so forth.

"Chairman Vo Van Kiet also devoted time to discussing outstanding local socioeconomic issues with leading officials in An Giang Province."

Over 78,500 People Sent to New Economic Zones

BK1607081592 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Jul 92

[Text] During the first half of this year, 26 provinces have sent 12,000 families totalling more than 78,500 people to build new economic zones in various localities. The new resettlers have reclaimed 13,500 hectares of virgin land for cultivation. They have built more than 45 km of roads, 17 bridges, 470,700 cubic meters of dikes, and more than 2,700 square meters of classrooms.

Although the budget was limited, these provinces have actively carried out the population relocation task and have built various capital construction projects, thereby helping to meet the peasants' urgent demands and improving their daily life.

It is noteworthy that Hoa Binh Province has exceeded the 1992 plan norms on sending people to build new economic zones in Gia Lai and Kon Tum Provinces.

Papua New Guinea

Paias Wingti Elected New Prime Minister

BK1707043292 Hong Kong AFP in English 0433 GMT 17 Jul 92

[Text] Port Moresby, July 17 (AFP)—Papua New Guinea's new parliament elected Paias Wingti as prime minister here Friday, defeating incumbent Rabbie Namaliu by a single vote.

Parliament voted 55-54 in favour of Wingti, the casting vote coming from Speaker of the House and Wingti supporter Bill Skate, who had earlier been elected to the post by the same margin.

Wingti, prime minister from 1986 to 1988 and leader of the opposition in the last parliament, heads the People's Democratic Movement which formed a coalition to win.

Counting in the June 15-26 elections ended two weeks ago, signalling the start of intensive horsetrading as Namaliu and Wingti vied for the support of the new members.

Wingti's victory came as little surprise. The election of Skate had been seen as a clear sign that Wingti had managed to secure the numbers required to win the parliamentary ballot.

Namaliu, who won the premiership in a vote of no-confidence against Wingti two years ago, lost 15 of his 27 ministers in the elections and his Pangu Party fared badly.

But the final blow came when three members of the four-seat League for National Advancement—vital to the Pangu majority—defected to Wingti last week.

"Wingti is a better horsetrader and got together a whole lot of independents," one observer said.

Namaliu admitted Thursday to having only 54 MPs, saying he would need to lure one away from Wingti to remain in power.

A large crowd gathered outside the parliamentary building which was ringed by tight security for Friday's crucial session.

The vote brings to a climax a three-month election process, in which a record 1,653 candidates contested the 109 seats.

It was the fourth general election in Papua New Guinea since the country gained independence from Australia in 1975.

Wingti is guaranteed 18 months in office before MPs are allowed to challenge him with a vote of no-confidence on the floor of parliament.